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TITLE 3—THE PRESIDENT

EXECUTIVE ORDER 9907

EXCUSING FEDERAL EMPLOYEES FROM DUTY ONE-HALF DAY ON DECEMBER 24, 1947

By virtue of the authority vested in me as President of the United States, it is hereby ordered as follows:

1. The several executive departments, independent establishments, and other governmental agencies in the District of Columbia, including the General Accounting Office, the Government Printing Office and the Navy Yard and Naval Stations, shall be closed one-half day on Wednesday, December 24, 1947, the day preceding Christmas Day; and all employees in the Federal service in the District of Columbia, and in the field service of the executive departments, independent establishments, and other agencies of the Government, except those who may for special public reasons be excluded from the provisions of this order by the heads of their respective departments, establishments, or agencies, or those whose absence from duty would be inconsistent with the provisions of existing law, shall be excused from duty for one-half day on December 24, 1947.

2. This order shall be published in the FEDERAL REGISTER.

HARRY S. TRUMAN

THE WHITE HOUSE,
December 2, 1947.

[F. R. Doc. 47-10735; Filed, Dec. 3, 1947; 10:15 a. m.]

TITLE 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 8—PROMOTION, DEMOTION, REASSIGNMENT AND TRANSFER

PART 29—RETIREMENT

MISCELLANEOUS AMENDMENTS

1. A new § 8.105, is hereby added to Part 8 as follows:

§ 8.105 *Detail*—(a) *Employees who have served six months or more after probational appointment or conversion to competitive status.* Employees who have served six months or more after probational appointment or conversion to competitive status may be detailed to positions in different lines of work or to higher grade positions only under the following circumstances:

(1) *Details for ninety days or less.* Such employees may be detailed for ninety days or less without prior approval of the Commission and without reference to qualifications standards. These details may not be renewed, and only one such detail to a position of a similar kind may be made without the prior approval of the Commission.

(2) *Details for more than ninety days, but not to exceed six months.* Such employees may be detailed for more than ninety days, but not to exceed six months, without the prior approval of the Commission, if they meet the qualifications standards (except the written test requirement) for promotion or reassignment to the position. If such employees do not meet the qualifications standards of the Commission for promotion or reassignment to the position, details may be made only after the prior approval of the Commission has been secured.

(b) *Employees who have not served six months after probational appointment or conversion to competitive status.* Employees who have not served six months after probational appointment from a register of eligibles or after conversion to competitive status under §§ 3.102 or 3.104 of the Commission's regulations may be detailed to positions in different lines of work or to higher grade positions only under the following circumstances:

(1) *Details for ninety days or less.* Such employees may be detailed for ninety days or less without prior approval of the Commission and without reference to qualifications standards. These details may not be renewed, and only one such detail to a position of a similar kind may be made without the prior approval of the Commission.

(2) *Details for more than ninety days, but not to exceed six months.* Such employees may be detailed for more than ninety days, but not to exceed six months, only after the prior approval of the Commission has been secured.

(R. S. 1753; sec. 2, 22 Stat. 403, 50 Stat. 533; 5 U. S. C. 631, 633)

2. Section 29.108 is amended to read as follows:

§ 29.108 *Set-off on account of indebtedness to the Government.* It is incumbent upon the Civil Service Commission

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FEDERAL REGISTER

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when adjudicating claims for retirement credits due former employees to make proper set-offs from the total amounts due of any unliquidated amounts chargeable to such employees on account of advance payments for unearned annual or sick leave, overpayment of salary, or other indebtedness to the Government.

Claims for set-off on account of indebtedness to the Government shall be submitted to the Commission on CSC Form 3037, Revised, in duplicate, setting forth all pertinent facts in the case, including the gross amount to be recovered.

(Sec. 12 (a) 46 Stat. 476; 5 U. S. C. 724)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] H. B. MITCHELL,
President.

[F. R. Doc. 47-10673; Filed, Dec. 3, 1947; 8:47 a. m.]

TITLE 7—AGRICULTURE

Chapter IV—Production and Marketing Administration (Crop Insurance)

PART 419—COTTON CROP INSURANCE REGULATIONS FOR 1947 AND SUCCEEDING CROP YEARS

SUBPART—REGULATIONS FOR CONTINUOUS CONTRACTS FOR THE 1948 AND SUCCEEDING CROP YEARS (YIELD INSURANCE)

The Federal Crop Insurance Program is part of the general program of the United States Department of Agriculture administered for the benefit of agriculture.

By virtue of the authority vested in the Federal Crop Insurance Corporation by the Federal Crop Insurance Act, as amended, these regulations are hereby published and prescribed to be in force and effect, with respect to continuous cotton crop insurance contracts for the 1948 and succeeding crop years until amended or superseded by regulations hereafter made.

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AUTHORITY: §§ 419.51 to 419.91, inclusive, issued under secs. 506 (e), 507 (c), 508, 509, 516 (b), 52 Stat. 73–75, 77 as amended, Pub. Law 320, 80th Cong.; 7 U. S. C. and Sup. 1506 (e), 1507 (c), 1508, 1509, 1516 (b).

MANNER OF OBTAINING INSURANCE

§ 419.51 *Availability of cotton crop insurance.* (a) Cotton crop insurance under continuous contracts for the 1948 and succeeding crop years will be provided only in accordance with this subpart in the counties designated by the Corporation.

(b) Insurance will not be provided in any county unless written applications for insurance on cotton are filed which together with cotton crop insurance contracts in force cover at least 200 farms in the county or one-third of the farms normally producing cotton.

§ 419.52 *Application for insurance.* Application for insurance on a form entitled "Application for Cotton Crop Insurance" may be made by any person to cover his interest as landlord, owner-operator, tenant, or sharecropper, in a cotton crop. An application shall cover the applicant's interest in the cotton crop on all insurable acreage considered for crop insurance purposes to be located in the county in which the applicant has an interest at the time of the planting of the cotton crop to be harvested in the 1948 and each succeeding crop year while the contract remains in force: *Provided, however,* That an application executed by any person as an individual shall not cover his interest as a partner in a crop produced by a partnership. Applications shall be submitted to the office of the county association or other office specified by the Corporation on or before the applicable closing date set forth in § 419.89. In case of death of the insured after the planting of cotton is begun for any crop year, any additional acreage which is planted for the insured's estate for that crop year shall be covered by the contract.

§ 419.53 *Acceptance of application by the Corporation.* (a) Upon acceptance of an application by a duly authorized representative of the Corporation, the contract shall be in effect commencing with the first crop year beginning after submission of the application, provided all the requirements in this subpart for the acceptance of applications have been met. The acceptance by the Corporation of an application submitted pursuant to the regulations in this subpart will automatically cancel any other cotton crop insurance contract, previously entered into by the insured and the Corporation in the county, for the 1948 and subsequent crop years.

(b) The Corporation reserves the right to reject any application for insurance in its entirety or with respect to any definitely described acreage.

§ 419.54 *Termination of contract.* (a) Subject to the provisions of paragraph (c) of this section, the contract shall be in effect for the first full crop year following submission of the application and shall continue for each succeeding crop year until either party gives to the other party, on or before December 31 of any year, written notice of termination effective at the beginning of the succeeding crop year. Failure to terminate the contract, as herein provided, shall constitute acceptance of changes, if any, in the premium rate, amounts of insurance, and insurance coverages, and any other changes in the contract. Any notice given by the insured to the Corporation pursuant to this paragraph shall be submitted in writing to the office of the county association or other office specified by the Corporation.

(b) If the insured terminates the contract under the provisions of paragraph (a) of this section, he shall not be eligible for cotton crop insurance for the next succeeding crop year unless he subsequently files an application for insurance on or before December 31 preceding such crop year.

(c) If the minimum participation requirement set forth in § 419.51 (b) is not met for any year, contracts then in force shall continue in force only to the end of the crop year for which such requirement is not met: *Provided, however,* That if such contracts, together with any new applications for cotton crop insurance filed on or before the next succeeding applicable calendar closing date, are sufficient to meet the minimum participation requirement, such contracts shall continue to be in force.

(d) If for two consecutive years no cotton in which the insured has an insurable interest is planted in the county, the contract shall terminate.

INSURANCE COVERAGE

§ 419.55 *Insurable acreage.* For each crop year of the contract, any acreage is insurable if a coverage is established therefor for that crop year on the county actuarial table and related material before the applicable calendar closing date for filing applications for insurance. Any acreage for which a coverage is not established within the time specified above shall not be considered in any manner whatsoever under the contract except as provided in §§ 419.68 (b) and 419.85.

§ 419.56 *Determination of insured acreage and interest.* (a) Promptly after planting a cotton crop each year, the insured shall submit to the Corporation, on a form entitled "Cotton Crop Insurance Acreage Report," a report over his signature of the acreage planted to cotton on each insurance unit in which he has an interest at the time of planting, and his interest at the time of planting in the cotton crop planted. If the insured does not have an insurable interest in cotton planted in any year, the acreage report shall nevertheless be submitted promptly after the planting of cotton is generally completed in the county. Any acreage report submitted by the insured shall be considered final

and not subject to change by the insured.

(b) The insured acreage with respect to each insurance unit shall be the acreage of cotton planted as reported by the insured or as determined by the Corporation, whichever the Corporation shall elect: *Provided, however,* That the Corporation may elect to determine that the insured acreage is "zero" if the insured fails to file an acreage report within 30 days after cotton planting is generally completed in the county as determined by the Corporation: *Provided further,* That insurance shall not attach with respect to (1) any acreage planted to cotton which is destroyed or substantially destroyed (as defined in § 419.65) and which can be replanted before it is too late to replant cotton, as determined by the Corporation, and such acreage is not replanted to cotton, (2) any acreage planted to cotton following in the same crop year a small grain crop which reaches the heading stage, (3) new ground acreage, and newly leveled acreage in the irrigated areas, planted to cotton the first year of cultivation, and (4) any acreage initially planted to cotton too late to expect to produce a normal crop as determined by the Corporation.

(c) The insured interest with respect to each insurance unit shall be the insured's interest in the crop at the time of planting as reported by the insured or the interest which the Corporation determines as the insured's actual interest at the time of planting, whichever the Corporation shall elect: *Provided, however,* That for the purpose of determining loss, the insured interest shall not exceed the insured's actual interest at the time of loss, or the beginning of harvest, whichever occurs first.

§ 419.57 *Insurance period.* Insurance with respect to any insured acreage shall attach at the time the cotton is planted. Insurance shall cease with respect to any portion of the cotton crop covered by the contract upon removal from the field, upon being housed, or disposal of the harvested crop or transfer of interest in unharvested cotton after harvest has commenced, but in no event shall the insurance remain in effect later than March 31 of each year in Arizona, California and New Mexico or January 31 of each year in all other states, unless such time is extended in writing by the Corporation.

§ 419.58 *Amount of insurance.* (a) The coverage per acre shall be that approved by the Corporation for (1) the area in which the insured acreage is located or (2) the coverage group for the farm or part thereof, and is shown on the county actuarial table which shall be on file in the office of the county association or other office specified by the Corporation. The coverage per acre is progressive by stages of production as follows:

First stage. After it is too late to plant cotton but before the first cultivation;

Second stage. After the first cultivation but before laying by;

Third stage. After laying by but before harvest; and

Fourth stage. After harvest and to the end of the insurance period.

(b) The amount of insurance for each insurance unit under the contract shall be the number of pounds of lint cotton determined by multiplying (1) the insured acreage by (2) the coverage per acre, and by (3) the insured interest in the crop. If different coverages per acre are applicable to parts of the insurance unit, the amount of insurance shall be computed separately, using the applicable acreage for each coverage per acre, and the total of such computed amounts shall be the amount of insurance for the insurance unit.

§ 419.59 *Partial insurance protection.* An applicant may elect to take one-half of the maximum protection available under the contract. This election may be made only on an application for insurance filed on or before the closing date for filing applications. An insured may elect to change from maximum protection to one-half of the maximum protection available under the contract or to change from one-half protection to maximum protection by filing written notice thereof with the Corporation on or before December 31 of any year. Such change in amount of protection under the contract shall be subject to approval by the Corporation and upon approval becomes effective for the next succeeding crop year after the election.

If the contract provides for partial insurance protection, the premium and indemnity, if any, otherwise computed in accordance with this subpart shall be reduced by one-half.

§ 419.60 *Causes of loss insured against.* The contract shall cover loss in yield of lint cotton while in the field due to unavoidable causes, including drought, flood, hail, wind, frost, winter-kill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board of Directors of the Corporation: *Provided, however,* That the Board of Directors may determine that for any county or area the contract shall provide that loss in yield of lint cotton due to any of the foregoing causes is not insured.

Where insurance is written on an irrigated basis, the contract shall also cover loss in yield due to failure of the water supply from natural causes that could not be prevented by the insured, including (a) lowering of the water level in pump wells adequate at the beginning of the growing season to the extent that either deepening the well or drilling a new well would be necessary to obtain an adequate supply of water, (b) failure of public power used for pumping or failure of an irrigation district or water company to deliver water where such failure is not within the control of the insured, and (c) the collapse of casing in wells where such collapse could not have been foreseen and prevented by the insured: *Provided, however,* That in areas where a part of the cotton is normally irrigated and a part is not normally irrigated, the acreage of cotton which shall be insured on an irrigated basis in any year shall not exceed that acreage which could be irrigated in a normal year with the facilities available: *Provided, further,* That in Lubbock County, Texas, the acreage of cotton on any farm which shall be insured on an irrigated basis in any year shall not exceed that acreage on which the following minimum irrigation requirements are met: (1) one preplanting irrigation of at least 3-acre inches, and (2) one post-planting irrigation of not less than 3-acre inches preceding the blooming stage of the crop, if there is any deficiency of soil moisture in the early growing season.

§ 419.61 *Causes of loss not insured against.* The contract shall not cover damage to quality in any case, or loss in yield caused by:

(a) Failure to follow recognized good farming practices;

(b) Poor farming practices, including but not limited to the use of defective or unadapted seed, failure to plant a sufficient quantity of seed, failure properly to prepare the land for planting, or properly to plant, care for or harvest (including unreasonable delay thereof) the insured crop;

(c) Following different fertilizer or farming practices then those considered in establishing the coverage;

(d) Planting cotton on land which is generally considered incapable of producing a cotton crop comparable to that produced on the land considered in establishing the coverage;

(e) Planting cotton on land following peanuts harvested for nuts;

(f) Planting a variety of cotton which differs materially in yield from the variety considered in establishing the coverage for the land;

(g) Planting excessive acreage under abnormal conditions;

(h) Planting another crop (except winter legumes) in the growing cotton crop;

(i) Planting cotton under conditions of immediate hazard;

(j) Inability to obtain labor, seed, fertilizer, machinery, repairs or insect poison;

(k) Break-down of machinery or failure of equipment due to mechanical defects;

(l) Neglect or malfeasance of the insured or of any person in his household or employment or connected with the farm as tenant, sharecropper, or wage hand;

(m) Domestic animals;

(n) Failure to provide adequate casing or properly to adjust the pumping equipment in the event of a lowering of the water level in pump wells where such adjustment can be made without deepening the well;

(o) Failure properly to apply irrigation water to cotton in proportion to the need of the crop and the amount of water available for all irrigated crops;

(p) Shortage of irrigation water where the Corporation determines that the total acreage of all crops planted on the farm which require irrigation is in excess of that which could be irrigated properly, assuming normal conditions throughout the period when the cotton crop will require irrigation, with the supply of irri-

gation water which could be reasonably expected at the time the cotton is planted;

(q) Action of any person, or State, county, or municipal government, in the use of chemicals for the control of noxious weeds; or

(r) Theft.

PREMIUM FOR CONTRACT

§ 419.62 *Amount of annual premium.* The annual premium for each insurance unit under the contract shall be based upon (a) the insured acreage of cotton for the insurance unit, (b) the premium rate, (c) the insured interest in the crop at the time of planting, and (d) the fixed price: *Provided, however,* That the amount of premium so determined shall not exceed 50 percent of the amount of insurance for such insurance unit multiplied by the fixed price. If more than one premium rate is applicable to the insurance unit, a premium shall be computed separately using the applicable acreage for each rate, and the total of the amounts so computed shall be the premium for the insurance unit. The annual premium for the contract shall be the total of the premium computed for the insured for all insurance units covered by the contract. If the contract provides for partial insurance protection in accordance with the provisions of § 419.59 hereof, the premium computed as set forth above shall be reduced by one-half. The annual premium with respect to any insured acreage shall be regarded as earned when the cotton crop on such acreage is planted.

§ 419.63 *Manner of payment of premium.* (a) By executing the application for cotton crop insurance, the applicant executes a premium note. This note represents a promise to pay to the Corporation annually during the life of the contract on or before the applicable maturity date specified in § 419.90, the premium for all insurance units covered by the contract. A penalty of three percent shall attach on the principal amount of any premium not paid on or before December 31, following the maturity date, and an additional three percent shall attach on the principal amount of any premium unpaid at the end of each six-month period thereafter.

(b) Payment of any annual premium shall be made by means of cash or by check, money order, postal note, or bank draft payable to the order of the Treasurer of the United States. Any payment made before the fixed price is established will be on an estimated basis and will be treated as a deposit until the fixed price is established. All checks and drafts will be accepted subject to collection, and payments tendered shall not be regarded as paid unless collection is made.

(c) Any unpaid amount of any annual premium (either before or after the date of maturity) and any penalty due may be deducted from any indemnity payable by the Corporation, from the proceeds of any commodity loan to the insured, and from any payment made to the insured under the Soil Conservation and Domestic Allotment Act, as amended, or any other act of Congress or program administered by the United States Department of Agriculture. Where any such deduction is made before the fixed price is established, the amount of the deduction will be based on an estimate of the amount of the premium.

LOSS

§ 419.64 *Notice of loss or damage of cotton crop.* (a) Unless otherwise provided by the Corporation, if a loss is probable, notice in writing shall be given the Corporation at the office of the county association or other office specified by the Corporation, immediately after any material damage to the insured crop and before the crop is harvested, removed, or any other use is made of it. Any such notice shall be given in time to allow the Corporation to make appropriate inspection.

(b) Unless otherwise provided by the Corporation, if, at the completion of harvest of the insured cotton crop, a loss has been sustained, notice in writing shall be given immediately to the Corporation, at the office of the county association, or other office specified by the Corporation. If such notice is not given within 15 days after harvest is completed, the Corporation reserves the right to reject any claim for indemnity. This notice is in addition to any notice required by paragraph (a) of this section.

§ 419.65 *Released acreage.* Any insured acreage on which the cotton crop has been destroyed or substantially destroyed may be released by the Corporation to be put to another use. The cotton crop shall be deemed to have been substantially destroyed if the Corporation determines that it has been so badly damaged that farmers generally in the area where the land is located and on whose farms similar damage occurred would not further care for the crop or harvest any portion thereof.

Before any acreage is released, it shall be inspected by a representative of the Corporation and, except for any acreage destroyed before the first cultivation, an appraisal made of the yield that would be realized if the crop on such acreage remained for harvest.

On any acreage where the cotton has been partially destroyed but not released by the Corporation, proper measures shall be taken to protect the crop from further damage. There shall be no abandonment of any crop or portion thereof to the Corporation.

All acreage of cotton on the insurance unit, which is not released earlier, shall be deemed to be released upon the signing of a statement in proof of loss for such unit by the insured and the local representative of the Corporation.

§ 419.66 *Time of loss.* Loss, if any, shall be deemed to have occurred at the end of the insurance period as set forth in § 419.57 unless the Corporation determines that the cotton crop on the insurance unit was destroyed or substantially destroyed earlier, in which event the loss shall be deemed to have occurred on the date of such damage as determined by the Corporation.

§ 419.67 *Proof of loss.* If a loss is claimed, the insured shall submit to the Corporation a form entitled, "Statement in Proof of Loss," containing such information regarding the manner and extent of the loss as may be required by the Corporation. The statement in proof of loss shall be submitted not later than 60 days after the time of loss, unless the time for submitting the claim is extended in writing by the Corporation. It shall be a condition precedent to any liability under the contract that the insured establish the amount of any loss for which claim is made and that such loss has been directly caused by one or more of the hazards insured against by the contract during the insurance period for the crop year for which the loss is claimed, and that the insured further establish that the loss has not arisen from or been caused by, either directly or indirectly, any of the hazards not insured against by the contract. The cotton stalks on any cotton acreage, with respect to which a loss is claimed, shall not be destroyed until the Corporation makes an inspection.

§ 419.68 *Amount of loss.* (a) The amount of loss for which an indemnity will be payable with respect to any insurance unit will be determined by multiplying the planted acreage by the coverage per acre, and subtracting therefrom the total production for the unit, and multiplying the remainder by the insured interest: *Provided, however,* That, if the planted acreage on the insurance unit exceeds the insured acreage on such unit, as determined by the Corporation, the amount of loss determined for the planted acreage shall be reduced on the basis of the ratio of the insured acreage to the planted acreage: *Provided, further,* That, if the premium computed for the reported acreage is less than the premium computed for the planted acreage, the amount of loss determined for the planted acreage may be reduced on the basis of the ratio of the premium computed for the reported acreage to the premium computed for the planted acreage, if the Corporation so elects. The total lint cotton production shall include:

(1) All harvested cotton (not subsequently destroyed by a cause insured against before being housed or removed from the field);

(2) The amount by which the appraised production of lint cotton exceeds the amount of insurance, for any acreage released by the Corporation because of damage occurring in the second stage of production;

(3) The appraised production of lint cotton for any acreage which is released by the Corporation because of damage occurring in the third stage of production, as determined by the Corporation, and the appraised production of lint cotton for any other acreage which is not harvested, except acreage which is released because of damage occurring in the first or second stage of production;

(4) The appraised unharvested production of lint cotton on acreage which reaches the fourth stage of production;

(5) The appraised production of lint cotton for any portion of the insured cotton acreage that is put to another use without the consent of the Corporation,

but not less than the product of (i) such acreage and (ii) the coverage per acre applicable to such acreage in the fourth stage of production (rounded in accordance with § 419.88);

(6) The appraised number of pounds of lint cotton by which production on any acreage has been reduced solely because of any cause not insured against, but not less than the product of (i) such acreage and (ii) the coverage per acre applicable to such acreage in the fourth stage of production (rounded in accordance with § 419.88) minus any quantity of lint cotton harvested from such acreage and the lint cotton equivalent of any quantity of cotton not harvested from such acreage and remaining in the field; and

(7) The appraised number of pounds of lint cotton by which production on any acreage has been reduced because of any cause not insured against, where damage on such acreage has resulted from a cause insured against and a cause not insured against.

(b) Where the insured fails to establish and maintain separate records, satisfactory to the Corporation, of acreage or production for the component parts of two or more insurance units or portions thereof, the insurance with respect to such units may be voided by the Corporation for the year in question and the premium forfeited by the insured: *Provided, however,* That, if all the component parts of the combination are insured, the total amount of insurance for the component parts shall be considered as the amount of insurance for the combination, and any loss for such combination shall be determined as outlined in paragraph (a) of this section. Where the insured fails to establish and maintain separate records, satisfactory to the Corporation, of acreage or production for acreage for which a coverage is not established and for one or more insurance units or portions thereof, any production from such acreage which is commingled with the production from the insured acreage shall be considered to have been produced on the insured acreage, or the insurance with respect to such unit(s) under the contract may be voided by the Corporation for the crop year in question and the premium forfeited by the insured.

(c) If the contract provides for partial insurance protection in accordance with the provisions of § 419.59, the amount of loss computed as set forth in paragraph (a) of this section shall be reduced by one-half.

PAYMENT OF INDEMNITY

§ 419.69 *When indemnity payable.* The amount of loss for which the Corporation may be liable with respect to any insurance unit covered by the contract shall be payable within 30 days after satisfactory proof of loss is approved by the Corporation: *Provided, however,* That, no indemnity will be paid until after the fixed price is established. However, if payment of any indemnity is delayed for any reason beyond the time specified, the Corporation shall not be liable for interest or damages on account of such delay.

§ 419.70 *Indemnity payment.* (a) Any indemnity due under the contract will be paid by issuance of a check payable to the order of the person(s) entitled to such payment under this subpart. The amount thereof shall be determined by multiplying the number of pounds of lint cotton approved as the indemnity by the fixed price.

(b) Any indemnity payable under a contract shall be paid to the insured or such other person as may be entitled to the benefits of the contract under the provisions of this subpart, notwithstanding any attachment, garnishment, receivership, trustee process, judgment, levy, equity, or bankruptcy directed against the insured or such other person, or against any indemnity alleged to be due to such person; nor shall the Corporation or any officer, employee, or representative thereof be a proper party to any suit or action with reference to such indemnity, nor be bound by any judgment, order or decree rendered or entered therein. No officer, agent, or employee of the Corporation shall, because of any such process, order, or decree, pay or cause to be paid, to any person other than the insured or other person entitled to the benefits of the contract, any indemnity payable in accordance with the provisions of the contract. Nothing herein contained shall excuse any person entitled to the benefits of the contract from full compliance with, or performance of, any lawful judgment, order, or decree with respect to the disposition of any sums paid thereunder as an indemnity.

(c) If a check issued in payment of an indemnity is returned undeliverable at the last known address of the payee, and if such payee or other person entitled to the indemnity makes no claim for payment within two years after the issuance of the check, such claim shall not thereafter be payable, except with the consent of the Corporation.

(d) The Corporation shall provide for the posting annually in each county at the county courthouse of a list of indemnities paid for losses on farms in such county.

§ 419.71 *Other insurance.* (a) If the insured has or acquires any other insurance against substantially all the risks that are insured against by the Corporation under the contract, regardless of whether such other insurance is valid or collectible, the liability of the Corporation shall not be greater than its share would be if the amount of its obligations were divided equally between the Corporation and such other insurer.

(b) In any case where an indemnity is paid to the insured by another Government agency because of damage to the cotton crop, the Corporation reserves the right to determine its liability under the contract, taking into consideration the amount paid by such other agency.

§ 419.72 *Subrogation.* The Corporation may require from the insured an assignment of all rights of recovery against any person(s) for loss or damage to the extent that payment therefor is made by the Corporation, and the insured shall execute all papers required and shall do everything that may be necessary to secure such rights.

§ 419.73 *Creditors.* An interest existing by virtue of a debt, lien, mortgage, garnishment, levy, execution, bankruptcy, or any other process shall not be considered an interest in an insured crop within the meaning of this subpart.

PAYMENT OF INDEMNITY TO PERSONS OTHER THAN ORIGINAL INSURED

§ 419.74 *Indemnities subject to all provisions of contract.* Indemnities shall be subject to all provisions of the contract, including the right of the Corporation to deduct from any indemnity the unpaid amount of any earned annual premium or any other obligation of the insured to the Corporation: *Provided, however,* That in case of a transfer of an interest in an insured crop, such deduction to be made from an indemnity payable to the transferee shall not exceed the annual premium (plus any penalty) due on the land involved in the transfer for the crop year in which the transfer is made, plus the unpaid amount of any other obligation of the transferee to the Corporation. Any indemnity payable to any person other than the original insured as a result of a transfer, or otherwise, shall be subject to any collateral assignment of the contract by the original insured.

§ 419.75 *Collateral assignment of right under contract.* The right to an indemnity under a contract may be assigned by the original insured as collateral security for a loan or other obligation of such insured. Such assignment shall be made by the execution of a form entitled "Collateral Assignment," and, upon approval thereof by the Corporation, the interests of the assignee will be recognized, if an indemnity is payable under the contract, to the extent of the amount determined to be the unpaid balance of the amount (including interest and other charges) for which such assignment was made as collateral security: *Provided, however,* That (a) payment of any indemnity will be subject to all conditions and provisions of the contract and to any deductions authorized under § 419.74 and (b) payment of the indemnity may be made by check payable jointly to all persons entitled thereto and such payment shall constitute a complete discharge of the Corporation's obligation with respect to any loss under the contract. The Corporation's approval of an assignment shall not create in the assignee any right other than that derived from the assignor: *Provided, however,* That the assignee may submit a "Statement in Proof of Loss" if the insured refuses to submit, or disappears without having submitted, such statement. The Corporation shall in no case be bound to accept notice of any assignment of the contract, and nothing contained in any assignment shall give any right against the Corporation to any person other than the insured, except to an assignee approved by the Corporation. Only one such assignment will be recognized in connection with the contract, but if an assignment is released, a new assignment may be made.

§ 419.76 *Payment to transferee.* In the event of a transfer of all or a part of the insured interest in a cotton crop before the beginning of harvest or the time of loss, whichever occurs first, the transferor shall immediately notify the Corporation thereof in writing at the office of the county association or other office specified by the Corporation. The transferee under such a transfer shall be entitled to the benefits of the contract with respect to the interest so transferred, subject to any assignment made by the original insured in accordance with § 419.75: *Provided, however,* That the Corporation shall not be liable for a greater amount of indemnity in connection with the insured crop than would have been paid if the transfer had not taken place: *Provided further,* That an involuntary transfer of an insured interest in a cotton crop solely because of the existence of a debt, lien, mortgage, garnishment, levy, execution, bankruptcy, or other process shall not entitle any holder of any such interest to any benefits under the contract: *Provided further,* That the insurance contract of the transferor shall cover the interest so transferred only to the end of the insurance period for the crop year during which the transfer is made. If, as a result of any such transfer, diverse interests appear with respect to any insurance unit, the indemnity, if any, payable with respect to such unit may be paid jointly to all persons having the insured interest in the crop at the time harvest is commenced or the time of loss, whichever occurs first, or to one of such persons on behalf of all such persons, and payment in any such manner shall constitute a complete discharge of the Corporation's liability with respect to such unit under the contract.

§ 419.77 *Death, incompetence, or disappearance of insured.* (a) If the insured dies, is judicially declared incompetent, or disappears after the planting of the cotton crop in any year, but before the time of loss or the time harvest is commenced, whichever occurs first, and his insured interest in the cotton crop is a part of his estate at such time, or if the insured dies, is judicially declared incompetent, or disappears subsequent to such time, the indemnity, if any, shall be paid to the legal representative of his estate, if one is appointed or is duly qualified. If no such representative is or will be so qualified, the indemnity shall be paid to the persons beneficially entitled to share in the insured's interest in the crop or to any one or more of such persons on behalf of all such persons: *Provided, however,* That, if the indemnity exceeds $500, the Corporation may withhold the payment of the indemnity until a legal representative of the insured's estate is duly qualified to receive such payment.

(b) If the insured dies, is judicially declared incompetent, or disappears after the planting of the cotton crop in any year, but before the time of loss or the time harvest is commenced, whichever occurs first, and his interest in the crop is not a part of his estate at such time, the indemnity, if any, shall be paid to the person(s) who succeeded to his interest in the crop in the manner provided for in § 419.76.

(c) If an applicant for insurance or the insured, as the case may be, dies, is judicially declared incompetent, or disappears less than fifteen days before the applicable calendar closing date for the filing of applications for insurance in any year, and before the beginning of planting of the cotton crop in such year, whoever succeeds him on the farm with the right to plant the cotton crop as his heir or heirs, administrator, executor, guardian, committee, or conservator shall be substituted for the original applicant or the insured upon filing with the office of the county association, within fifteen days (unless such period is extended by the Corporation) after the date of such death, judicial declaration, or termination of the period which establishes disappearance within the meaning of this subpart, or before the date of the beginning of planting, whichever is earlier, a statement in writing, in the form and manner prescribed by the Corporation, requesting such substitution and agreeing to assume the obligations of the original applicant or the insured arising out of such application or the contract: *Provided, however,* That any substitution made pursuant to this paragraph shall be effective only with respect to the cotton crop to be planted in the ensuing crop year, and the contract shall terminate at the end of such year. If no such statement is filed, as required by this paragraph, the original application or contract shall be void.

(d) Subject to the provisions of paragraph (c) of this section, the insurance contract shall terminate upon death, judicial declaration of incompetence, or disappearance, of the insured, except that, if such death, judicial declaration of incompetence, or disappearance occurs after the planting of the cotton crop in any year but before the end of the insurance period for such year, the insurance contract shall terminate at the end of such insurance period.

(e) The insured shall be deemed to have disappeared within the meaning of this subpart if he fails to file with the office of the county association or other office specified by the Corporation written notice of his new mailing address within 180 calendar days after any communication by or on behalf of the Corporation is returned undeliverable at the last known address of the insured.

§ 419.78 *Fiduciaries.* Any indemnity payable under a contract entered into in the name of a fiduciary who is no longer acting in such capacity at the time for the payment of indemnity will be made to the succeeding fiduciary upon appropriate application and proof satisfactory to the Corporation of his incompetency. If there is no succeeding fiduciary, payment of the indemnity shall be made to the persons beneficially entitled under this subpart to the insured interest in the crop, to the extent of their respective interests, upon proper application and proof of the facts: *Provided, however,* That the settlement may be made with any one or more of the persons so entitled, and payment may be made to such person or persons in behalf of all the persons so entitled, whether or not the person to whom payment is made has been authorized by the other interested persons to receive such payment.

§ 419.79 *Determination of person to whom indemnity shall be paid.* In any case where the insured has transferred his interest in all or a portion of the cotton crop on any insurance unit, or has ceased to act as a fiduciary, or has died, has been judicially declared incompetent or has disappeared, payment in accordance with the provisions of this subpart will be made only after the facts have been established to the satisfaction of the Corporation. The determination of the Corporation as to the existence or non-existence of a circumstance in the event of which payment may be made and of the person(s) to whom such payment will be made shall be final and conclusive. Payment of any indemnity under this section shall constitute a complete discharge of the Corporation's obligation with respect to the loss for which such indemnity is paid and settled and shall be a bar to recovery by any other person.

REFUNDS OF EXCESS NOTE PAYMENTS

§ 419.80 *Refunds of excess note payments.* Before termination of the contract, the Corporation shall not be required to make a refund of any excess payment made on any annual premium and any such excess payment may be credited on future annual premiums. However, the Corporation may elect to make such refund at any time before the termination of the contract.

There shall be no refund of an amount less than $1.00 with respect to overpayment of any annual premium, unless written request for such refund is received by the Corporation within one year after the termination of the contract.

§ 419.81 *Assignment or transfer of claims for refunds not permitted.* No claim for a refund, or any part or share thereof, or any interest therein, shall be assignable or transferable, notwithstanding any assignment of the contract or any transfer of interest in any cotton crop covered by the contract. Refund of any excess note payment will be made only to the person who made such payment, except as provided in § 419.82.

§ 419.82 *Refund in case of death, incompetence, or disappearance.* In any case where a person who is entitled to a refund of a payment has died, has been judicially declared incompetent, or has disappeared, the provisions of § 419.77 with reference to the payment of indemnities in any such case shall be applicable with respect to the making of any such refund.

ESTABLISHMENT OF COVERAGES AND PREMIUM RATES

§ 419.83 *Establishment of coverages per acre.* The Corporation shall establish coverages of lint cotton per acre which shall not exceed the maximum per centum, prescribed in the Federal Crop Insurance Act, of the recorded or appraised average yield for the farm. Such coverages shall include, in terms of

lint cotton, coverage for loss of cottonseed. Coverages so established shall be on file in the office of the county association or other office specified by the Corporation and may be revised from year to year as the Corporation may elect.

§ 419.84 *Establishment of premium rates.* The Corporation shall establish premium rates for all acreage for which coverages are established and such rates shall be those deemed adequate to cover claims for cotton crop losses and to provide a reasonable reserve against unforeseen losses. Premium rates so established shall be on file in the office of the county association or other office specified by the Corporation and may be revised from year to year as the Corporation may elect.

GENERAL

§ 419.85 *Records and access to farm.* For the purpose of enabling the Corporation to determine the loss, if any, that may have occurred under the contract, the insured shall keep, or cause to be kept, for one year after the time of loss, records of the harvesting, ginning, storage, shipment, sale, or other disposition of all cotton produced on each insurance unit covered by the contract and on any acreage for which coverages are not established in the county in which he has an interest. Such records shall be made available for examination by the Corporation, and as often as may be reasonably required, any person or persons designated by the Corporation shall have access to the farm(s).

§ 419.86 *Applicant's warranties; voidance for fraud.* In applying for insurance the applicant warrants that the information, data, and representations submitted by him in connection with the contract are true and correct, and are made by him, or by his authority, and shall be taken as his act. The contract may be voided and the premium forfeited to the Corporation without the Corporation's waiving any right or remedy, including its right to collect the amount of the note executed by the insured, whether before or after maturity if at any time the insured has concealed any material fact or made any false or fraudulent statements relating to the contract, the subject thereof, or his interest in the cotton crop covered thereby, or if the insured shall neglect to use all reasonable means to produce, care for or save the cotton crop covered thereby, whether before or after damage has occurred, or if the insured fails to give any notice, or otherwise fails to comply with the terms of the contract, including the note, at the time and in the manner prescribed.

§ 419.87 *Modification of contract.* No notice to any representative of the Corporation or the knowledge possessed by any such representative or by any other person shall be held to effect a waiver of or change in any part of the contract or to estop the Corporation from asserting any right or power under such contract; nor shall the terms of such contract be waived or changed except as authorized in writing by a duly authorized officer or representative of the Corporation; nor shall any provision or condition of the contract or any forfeiture be held to be waived by any delay or omission by the Corporation in exercising its rights and powers thereunder or by any requirement, act, or proceeding, on the part of the Corporation or of its representatives, relating to appraisal or to any examination herein provided for.

§ 419.88 *Rounding of fractional units.* Premium rates, amounts of insurance, actual production, and appraised production, shall be rounded to the nearest pound. Fractions of acres shall be rounded to the nearest tenth of an acre. Computations shall be carried through the digit that is to be rounded. If the digit to be rounded is 1, 2, 3, or 4, the rounding shall be downward. If the digit to be rounded is 5, 6, 7, 8, or 9, the rounding shall be upward.

§ 419.89 *Closing dates.* The closing date for any year for the submission of applications to the office of the county association or other office designated by the Corporation shall be the date of the beginning of planting of the cotton crop on any insurance unit covered by the application, or the following applicable date, whichever is earlier:

January 31 for Cameron, Donley, Jones, Knox, Lubbock, and Nueces Counties, Texas.

March 15 for Pike and Houston Counties, Alabama; Burke and Dooly Counties, Georgia; Bienville, Caddo, Natchitoches, and Richland Parishes, Louisiana; Covington County, Mississippi; and Anderson, Collin, Hill, McLennan, Red River, Rusk, and Williamson Counties, Texas.

March 25 for Pinal County, Arizona; Fresno and Tulare Counties, California; Chaves County, New Mexico; and Reeves County, Texas.

March 31 for all other counties.

The establishment of a closing date for any county shall not be construed to mean that insurance will be provided in such county in accordance with this subpart.

§ 419.90 *Maturity dates for annual premium.* The maturity dates for the payment of annual premiums shall be as follows:

August 10 for Cameron and Nueces Counties, Texas.

September 30 for Pinal County, Arizona; Fresno and Tulare Counties, California; Chaves County, New Mexico; and Reeves County, Texas.

August 31 for all other counties.

§ 419.91 *Meaning of terms.* For the purpose of the Cotton Crop Insurance Program, the term:

(a) "Contract" means the accepted application for insurance and these regulations in this subpart and any amendments thereto.

(b) "Corporation" means the Federal Crop Insurance Corporation.

(c) "Cotton crop" means only American Upland cotton and does not include cotton planted primarily for experimental purposes.

(d) "County" means the area commonly designated as such, and includes a parish in Louisiana.

(e) "County Actuarial Table" means the form and related material approved by the Corporation for listing the coverages per acre and the premium rates per acre, applicable in the county.

(f) "County association" means the County Agricultural Conservation Association in the county.

(g) "Crop year" means the period beginning with the day following the applicable closing date for the filing of application for insurance for any year and within which the cotton crop is planted and normally harvested, and shall be designated by reference to the calendar year in which the crop is planted.

(h) "Farm" means that acreage of land which constitutes an insurance unit, and is defined only for the purpose of determining if the minimum participation requirement is met.

(i) "First cultivation" means the first tillage of the cotton after it is up, which must be performed with an implement (other than a spike tooth or section harrow, rotary hoe, or stalk cutter) designed for use on individual cotton rows for the purpose of working the ground close to the plants.

(j) "Fixed price" means 90 percent of the net average price per pound of the applicable grade and staple of cotton, as determined by the Corporation, for the month of July of each year on the ten spot cotton markets, with differentials, where applicable, for the location of the insurance unit.

(k) "Harvest" means the removal of seed cotton from the open cotton boll or the severance of the open cotton boll from the stalk by either manual or mechanical means. For the purpose of determining the stages of production any acreage which has been harvested one time, as determined by the Corporation, shall be considered as harvested.

(l) "Insurance unit" means all insurable acreage considered for crop insurance purposes to be located in the county, (1) in which the insured has 100 percent interest, plus any acreage owned by him and worked for him by sharecropper, or (2) which is owned by the insured and rented to one tenant, or (3) which is owned by one person and operated by the insured as a tenant, or (4) which is owned by one person and worked by the insured as a sharecropper: *Provided, however,* That in the case of land rented for cash or for a fixed commodity payment the lessee shall be considered as the owner. For any crop year of the contract, acreage shall be considered to be located in the county if, on or before the closing date for filing applications in the county, a coverage is established for such acreage on the form prescribed by the Corporation for use in that county.

(m) "Laying by" means the completion of the final cultivation, consistent with good farming practice, that would be necessary to carry the crop to harvest.

(n) "New ground acreage" means acreage on which it was necessary to remove or deaden timber and remove undergrowth to carry out established cultural practices. Pasture land, other than woodland pasture, cleared of underbrush and brought into cultivation will not be considered new ground acreage.

(o) "Person" means an individual, partnership, association, corporation, estate, or trust, or other business enter-

prise or other legal entity and, wherever applicable, a state, a political subdivision of a state, or any agency thereof.

(p) "Premium rate" means the premium rate per acre established by the Corporation.

(q) "Sharecropper" means a person who works a farm in whole or in part under the general supervision of the operator and is entitled to receive for his labor a share of the cotton crop thereon or of the proceeds therefrom. A sharecropper shall not be considered as an operator.

(r) "State Director" means the representative of the Corporation responsible for the executive direction of the Federal crop insurance program in the state.

(s) "Tenant" means a person other than a sharecropper who rents land from another person (for a share of the crop or proceeds therefrom), and is entitled under a written or oral lease or agreement to receive all or a share of the crop or proceeds therefrom produced on such land. A tenant shall be considered as an operator.

NOTE: The record keeping requirements of these regulations have been approved by, and subsequent reporting requirements will be subject to the approval of, the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Adopted by the Board of Directors on November 26, 1947.

[SEAL] E. D. BERKAW,
Secretary,
Federal Crop Insurance Corporation.

Approved: December 1, 1947.

CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 47-10675; Filed, Dec. 3, 1947; 8:47 a. m.]

PART 419—COTTON CROP INSURANCE REGULATIONS FOR 1947 AND SUCCEEDING CROP YEARS

REGULATIONS FOR ANNUAL CONTRACTS FOR THE 1948 CROP YEAR (DOLLAR COVERAGE INSURANCE)

The Federal Crop Insurance Program is part of the general program of the United States Department of Agriculture administered for the benefit of agriculture.

By virtue of the authority vested in the Federal Crop Insurance Corporation by the Federal Crop Insurance Act, as amended, these regulations are hereby published and prescribed to be in force and effect, with respect to annual cotton crop insurance contracts for the 1948 crop year until amended or superseded by regulations hereafter made.

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AUTHORITY: §§ 419.2001 to 419.2041, inclusive, issued under secs. 506 (e), 507 (c), 508, 509, 516 (b), 52 Stat. 73-75, 77 as amended, Pub. Law 320, 80th Cong.; 7 U. S. C. and Sup. 1506 (e), 1507 (c), 1508, 1509, 1516 (b).

MANNER OF OBTAINING INSURANCE

§ 419.2001 *Availability of cotton crop insurance.* (a) Cotton crop insurance under annual contracts for the 1948 crop year will be provided only in accordance with this subpart in the counties designated by the Corporation.

(b) Insurance will not be provided in any county unless written applications for insurance on cotton are filed which cover at least 200 farms in the county or one-third of the farms normally producing cotton.

§ 419.2002 *Application for insurance.* Application for insurance on a form entitled "Application for Cotton Crop Insurance" may be made by any person to cover his interest as landlord, owner-operator, tenant, or sharecropper, in a cotton crop. An application shall cover the applicant's interest in the cotton crop on all insurable acreage considered for crop insurance purposes to be located in the county in which the applicant has an interest at the time of the planting of the cotton crop to be harvested in the 1948 crop year: *Provided, however,* That an application executed by any person as an individual shall not cover his interest as a partner in a crop produced by a partnership. Applications shall be submitted to the office of the county association or other office specified by the Corporation on or before the applicable closing date set forth in § 419.2039. In case of death of the insured after the planting of cotton is begun for the 1948 crop year, any additional acreage which is planted for the insured's estate for the 1948 crop year shall be covered by the contract.

§ 419.2003 *Acceptance of application by the Corporation.* (a) Upon acceptance of an application by a duly authorized representative of the Corporation, the contract shall be in effect, provided all the requirements in this subpart for the acceptance of application have been met.

(b) The Corporation reserves the right to reject any application for insurance in its entirety or with respect to any farm or other definitely described acreage.

§ 419.2004 *Cancelation of prior contract.* The acceptance by the Corporation of an application submitted pursuant to the regulations in this subpart will automatically cancel any other cotton crop insurance contract, previously entered into by the insured and the Corporation in the county, for the 1948 and succeeding crop years.

INSURANCE COVERAGE

§ 419.2005 *Insurable acreage.* Any acreage is insurable if a coverage is established therefor on the County Actuarial table and related material before the applicable calendar closing date for filing applications for insurance. Any acreage for which a coverage is not established within the time specified above shall not be considered in any manner whatsoever under the contract except as provided in §§ 419.2018 (b) and 419.2035.

§ 419.2006 *Determination of insured acreage and interest.* (a) Promptly after planting the cotton crop, the insured shall submit to the Corporation, on a form entitled "Cotton Crop Insurance Acreage Report," a report over his signature of the acreage planted to cotton on each insurance unit in which he has an interest at the time of planting and his interest at the time of planting in the cotton crop planted. If the insured does not have an insurable interest in cotton planted, the acreage report shall nevertheless be submitted promptly after the planting of cotton is generally completed in the county. Any acreage report submitted by the insured shall be considered final and not subject to change by the insured.

(b) The insured acreage with respect to each insurance unit shall be the acreage of cotton planted as reported by the insured or as determined by the Corporation, whichever the Corporation shall elect: *Provided, however,* That the Cor-

poration may elect to determine that the insured acreage is "zero" if the insured fails to file an acreage report within 30 days after cotton planting is generally completed in the county, as determined by the Corporation: *Provided, further,* That insurance shall not attach with respect to (1) any acreage planted to cotton which is destroyed or substantially destroyed (as defined in § 419.2015) and which can be replanted before it is too late to replant cotton, as determined by the Corporation, and such acreage is not replanted to cotton, (2) any acreage planted to cotton following in 1948 a small grain crop which reaches the heading stage, (3) new-ground acreage, and newly leveled acreage in the irrigated areas, planted to cotton the first year of cultivation, and (4) any acreage initially planted to cotton too late to expect to produce a normal crop, as determined by the Corporation.

(c) The insured interest with respect to each insurance unit shall be the insured's interest in the crop at the time of planting as reported by the insured or the interest which the Corporation determines as the insured's actual interest at the time of planting, whichever the Corporation shall elect: *Provided, however,* That for the purpose of determining loss, the insured interest shall not exceed the insured's actual interest at the time of loss, or the beginning of harvest, whichever occurs first.

§ 419.2007 *Insurance period.* Insurance with respect to any insured acreage shall attach at the time the cotton is planted. Insurance shall cease with respect to any portion of the cotton crop covered by the contract upon removal from the field, upon being housed, or disposal of the harvested crop or transfer of interest in unharvested cotton after harvest has commenced, but in no event shall the insurance remain in effect later than March 31, 1949 in Arizona, California, and New Mexico, or January 31, 1949, in all other states unless such time is extended in writing by the Corporation.

§ 419.2008 *Amount of insurance.* (a) The coverage per acre shall be the number of dollars approved by the Corporation for the area in which the insured acreage is located, and is shown on the County actuarial table which shall be on file in the office of the County Association or other office specified by the Corporation. The coverage per acre is progressive by stages of production as follows:

First stage. After it is too late to plant cotton but before the first cultivation.

Second stage. After the first cultivation but before laying by.

Third stage. After laying by but before harvest.

Fourth stage. After harvest and to the end of the insurance period.

(b) The amount of insurance for each insurance unit shall be the number of dollars obtained by multiplying (1) the insured acreage by (2) the coverage per acre, and by (3) the insured interest in the crop. If different coverages per acre are applicable to parts of the insurance unit, the amount of insurance shall be computed separately, using the applicable acreage for each coverage per acre, and the total of such computed amounts shall be the amount of insurance for the insurance unit.

§ 419.2009 *Partial insurance protection.* An applicant may elect to take one-half of the maximum protection available under the contract, in which event the premium and indemnity (if any) otherwise computed in accordance with this subpart shall be reduced by one-half. The election to take partial insurance protection may be made only on an application for insurance filed on or before the closing date for filing applications. Unless such election is made, the partial insurance protection provision shall not apply.

§ 419.2010 *Causes of loss insured against.* The contract shall cover loss of lint cotton while in the field due to unavoidable causes, including drought, flood, hail, wind, frost, winter-kill, tornado, lightning, fire, excessive rain, snow, wildlife, hurricane, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board of Directors of the Corporation: *Provided, however,* That the Board of Directors may determine that for any county or area the contract shall provide that loss of lint cotton due to any of the foregoing causes is not insured.

Where insurance is written on an irrigated basis, the contract shall also cover loss due to failure of the water supply from natural causes that could not be prevented by the insured, including (a) lowering of the water level in pump wells adequate at the beginning of the growing season to the extent that either deepening the well or drilling a new well would be necessary to obtain an adequate supply of water, (b) failure of public power used for pumping or failure of an irrigation district or water company to deliver water where such failure is not within the control of the insured, and (c) the collapse of casing in wells where such collapse could not have been foreseen and prevented by the insured: *Provided, however,* That in areas where a part of the cotton is normally irrigated and a part is not normally irrigated, the acreage of cotton which shall be insured on an irrigated basis shall not exceed that acreage which could be irrigated in a normal year with the facilities available: *Provided, further,* That in Lubbock County, Texas, the acreage of cotton on any farm which shall be insured on an irrigated basis in any year shall not exceed that acreage on which the following minimum irrigation requirements are met: (i) one preplanting irrigation of at least 3-acre inches, and (ii) one postplanting irrigation of not less than 3-acre inches preceding the blooming stage of the crop, if there is any deficiency of soil moisture in the early growing season.

§ 419.2011 *Causes of loss not insured against.* The contract shall not cover damage to quality in any case, or loss caused by:

(a) Failure to follow recognized good farming practices;

(b) Poor farming practices, including but not limited to the use of defective or unadapted seed, failure to plant a sufficient quantity of seed, failure properly to prepare the land for planting, or properly to plant, care for or harvest (including unreasonable delay thereof) the insured crop;

(c) Following different fertilizer or farming practices than those considered in establishing the coverage;

(d) Planting cotton on land which is generally considered incapable of producing a cotton crop comparable to that produced on the acreage considered in establishing the coverage;

(e) Planting cotton on land following peanuts harvested for nuts;

(f) Planting a variety of cotton which differs materially in yield from the variety considered in establishing the coverage for the land;

(g) Planting excessive acreage under abnormal conditions;

(h) Planting another crop (except winter legumes) in the growing cotton crop;

(i) Planting cotton under conditions of immediate hazard;

(j) Inability to obtain labor, seed, fertilizer, machinery, repairs or insect poison;

(k) Breakdown of machinery or failure of equipment due to mechanical defects;

(l) Neglect or malfeasance of the insured or of any person in his household or employment or connected with the farm as tenant, sharecropper, or wage hand;

(m) Domestic animals;

(n) Failure to provide adequate casing or properly to adjust the pumping equipment in the event of a lowering of the water level in pump wells where such adjustment can be made without deepening the well;

(o) Failure properly to apply irrigation water to cotton in proportion to the need of the crop and the amount of water available for all irrigated crops;

(p) Shortage of irrigation water where the Corporation determines that the total acreage of all crops planted on the farm which require irrigation is in excess of that which could be irrigated properly, assuming normal conditions throughout the period when the cotton crop will require irrigation, with the supply of irrigation water which could be reasonably expected at the time the cotton is planted;

(q) Action of any person, or state, county, or municipal governments in the use of chemicals for the control of noxious weeds; or

(r) Theft.

PREMIUM FOR CONTRACT

§ 419.2012 *Amount of premium.* The premium for each insurance unit under the contract shall be based upon (a) the insured acreage of cotton for the insurance unit, (b) the premium rate, (c) the insured interest in the crop at the time of planting: *Provided, however,* That, the amount of premium so determined shall not exceed 50 percent of the amount of insurance for such insurance unit. If more than one premium rate is applicable to the insurance unit, a premium shall be computed separately using the applicable acreage for each rate, and

the total of the amounts so computed shall be the premium for the insurance unit. The premium for the contract shall be the total of the premium computed for the insured for all insurance units covered by the contract. If the contract provides for partial insurance protection in accordance with the provisions of § 419.2009, hereof, the premium computed as set forth above shall be reduced by one half. The premium with respect to any insured acreage shall be regarded as earned when the cotton crop on such acreage is planted.

§ 419.2013 *Manner of payment of premium.* (a) By executing the application for cotton crop insurance, the applicant executes a premium note. This note represents a promise to pay to the Corporation on or before the applicable maturity date specified in § 419.2040, the premium for all insurance units covered by the contract. A penalty of three percent shall attach on the principal amount of any premium not paid on or before December 31, 1948, and an additional three percent shall attach on the principal amount of any premium unpaid at the end of each six-month period thereafter.

(b) Payment of any premium shall be made by means of cash or by check, money order, postal note, or bank-draft payable to the order of the Treasurer of the United States. All checks and drafts will be accepted subject to collection, and payments tendered shall not be regarded as paid unless collection is made.

(c) Any unpaid amount of any premium (either before or after the date of maturity) and any penalty due may be deducted from any indemnity payable by the Corporation, from the proceeds of any commodity loan to the insured, and from any payment made to the insured under the Soil Conservation and Domestic Allotment Act, as amended, or any other act of Congress or program administered by the United States Department of Agriculture.

LOSS

§ 419.2014 *Notice of loss or damage of cotton crop.* (a) Unless otherwise provided by the Corporation, if a loss is probable, notice in writing shall be given the Corporation at the office of the County Association or other office specified by the Corporation immediately after any material damage to the insured crop and before the crop is harvested, removed, or any other use is made of it. Any such notice shall be given in time to allow the Corporation to make appropriate inspection.

(b) Unless otherwise provided by the Corporation, if, at the completion of harvest of the insured cotton crop, a loss has been sustained, notice in writing shall be given immediately to the Corporation, at the office of the County Association, or other office specified by the Corporation. If such notice is not given within 15 days after harvest is completed, the Corporation reserves the right to reject any claim for indemnity. This notice is in addition to any notice required by paragraph (a) of this section.

§ 419.2015 *Released acreage.* Any insured acreage on which the cotton crop has been destroyed or substantially destroyed may be released by the Corporation to be put to another use. The cotton crop shall be deemed to have been substantially destroyed if the Corporation determines that it has been so badly damaged that farmers generally in the area where the land is located and on whose farms similar damage occurred would not further care for the crop or harvest any portion thereof.

Before any acreage is released, it shall be inspected by a representative of the Corporation and, except for any acreage destroyed before the first cultivation, an appraisal made of the yield that would be realized if the crop on such acreage remained for harvest.

On any acreage where the cotton has been partially destroyed but not released by the Corporation, proper measures shall be taken to protect the crop from further damage. There shall be no abandonment of any crop or portion thereof to the Corporation.

All acreage of cotton on the insurance unit, which is not released earlier, shall be deemed to be released upon the signing of a Statement in Proof of Loss for such unit by the insured and the local representative of the Corporation.

§ 419.2016 *Time of loss.* Loss, if any, shall be deemed to have occurred at the end of the insurance period as set forth in § 419.2007 unless the Corporation determines that the entire cotton crop on the insurance unit was destroyed or substantially destroyed earlier, in which event the loss shall be deemed to have occurred on the date of such damage as determined by the Corporation.

§ 419.2017 *Proof of loss.* If a loss is claimed, the insured shall submit to the Corporation a form entitled, "Statement in Proof of Loss," containing such information regarding the manner and extent of the loss as may be required by the Corporation. The statement in proof of loss shall be submitted not later than sixty days after the time of loss, unless the time for submitting the claim is extended in writing by the Corporation. It shall be a condition precedent to any liability under the contract that the insured establish the amount of any loss for which claim is made and that such loss has been directly caused by one or more of the hazards insured against by the contract during the insurance period, and that the insured further establish that the loss has not arisen from or been caused by, either directly or indirectly, any of the hazards not insured against by the contract. The cotton stalks on any cotton acreage, with respect to which a loss is claimed, shall not be destroyed until the Corporation makes an inspection.

§ 419.2018 *Amount of loss.* (a) The amount of loss for which an indemnity will be payable with respect to any insurance unit will be determined by multiplying the planted acreage by the coverage per acre, and subtracting therefrom the product of the total production of lint cotton in pounds for the unit and $0.27, and multiplying the remainder by the insured interest: *Provided, however,* That, if the planted acreage on the insurance unit exceeds the insured acreage on such unit, as determined by the Corporation, the amount of loss determined for the planted acreage shall be reduced on the basis of the ratio of the insured acreage to the planted acreage: *Provided, further,* That, if the premium computed for the reported acreage is less than the premium computed for the planted acreage, the amount of loss determined for the planted acreage may be reduced on the basis of the ratio of the premium computed for the reported acreage to the premium computed for the planted acreage, if the Corporation so elects. The total lint cotton production shall include:

(1) All harvested cotton (not subsequently destroyed by a cause insured against before being housed or removed from the field);

(2) For any acreage of cotton released by the Corporation because of damage occurring in the second stage, the amount by which the appraised production of lint cotton exceeds the number of pounds of lint cotton determined by dividing (i) the amount of insurance for such acreage by (ii) $0.27 (rounded in accordance with § 419.2038);

(3) The appraised production of lint cotton for any acreage which is released by the Corporation because of damage occurring in the third stage of production, as determined by the Corporation, and the appraised production of lint cotton for any other acreage which is not harvested, except acreage which is released because of damage occurring in the first or second stage of production;

(4) The appraised unharvested production of lint cotton on acreage which reaches the fourth stage of production;

(5) The appraised production of lint cotton for any portion of the insured cotton acreage that is put to another use without the consent of the Corporation but not less than the product of (i) such acreage and (ii) the pounds equivalent of the coverage per acre for such acreage in the fourth stage of production determined on the basis of the value of $0.27 per pound;

(6) The appraised number of pounds of lint cotton by which production on any acreage has been reduced solely because of any cause not insured against, but not less than the product of (i) such acreage and (ii) the pounds equivalent of the coverage per acre for such acreage in the fourth stage of production determined on the basis of the value of $0.27 per pound (rounded in accordance with § 419.2038) minus any quantity of cotton harvested from such acreage; and

(7) The appraised number of pounds of lint cotton by which production on any acreage has been reduced because of any cause not insured against where damage on such acreage has resulted from a cause insured against and a cause not insured against.

(b) Where the insured fails to establish and maintain separate records, satisfactory to the Corporation, of acreage or production for the component parts of two or more insurance units or portions thereof, the insurance with respect to such units may be voided by the Corporation and the premium forfeited by the insured: *Provided, however,* That, if

all the component parts of the combinations are insured, the total amount of insurance for the component parts shall be considered as the amount of insurance for the combination, and any loan for such combination shall be determined as outlined in paragraph (a) of this section. Where the insured fails to establish and maintain separate records, satisfactory to the Corporation, of acreage or production for land for which a coverage is not established, and for one or more insurance units or portions thereof, any production from such acreage which is commingled with the production from the insured acreage shall be considered to have been produced on the insured acreage, or the insurance with respect to such unit(s) under the contract may be voided by the Corporation and the premium forfeited by the insured.

(c) If the contract provides for partial protection in accordance with the provisions of § 419.2009, the amount of loss computed as set forth in paragraphs (a) and (b) of this section shall be reduced by one half.

PAYMENT OF INDEMNITY

§ 419.2019 *When indemnity payable.* The amount of loss for which the Corporation may be liable with respect to any insurance unit covered by the contract shall be payable within 30 days after satisfactory proof of loss is approved by the Corporation. However, if payment of any indemnity is delayed for any reason beyond the time specified, the Corporation shall not be liable for interest or damages on account of such delay.

§ 419.2020 *Indemnity payment.* (a) Any indemnity due under the contract will be paid by issuance of a check payable to the order of the person(s) entitled to such payment under this subpart.

(b) Any indemnity payable under the contract shall be paid to the insured or such other person as may be entitled to the benefits of the contract under the provisions of this subpart, notwithstanding any attachment, garnishment, receivership, trustee process, judgment, levy, equity, or bankruptcy directed against the insured or such other person, or against any indemnity alleged to be due to such person; nor shall the Corporation or any officer, employee, or representative thereof be a proper party to any suit or action with reference to such indemnity, nor be bound by any judgment, order or decree rendered or entered therein. No officer, agent, or employee of the Corporation shall, because of any such process, order, or decree, pay or cause to be paid, to any person other than the insured or other person entitled to the benefits of the contract, any indemnity payable in accordance with the provisions of the contract. Nothing herein contained shall excuse any person entitled to the benefits of the contract from full compliance with, or performance of, any lawful judgment, order, or decree with respect to the disposition of any sums paid thereunder as an indemnity.

(c) If a check issued in payment of an indemnity is returned undeliverable at the last known address of the payee, and if such payee or other person entitled to the indemnity makes no claim for payment within two years after the issuance of the check, such claim shall not thereafter be payable, except with the consent of the Corporation.

(d) The Corporation shall provide for the posting in each county at the county courthouse of a list of indemnities paid for losses on farms in such county.

§ 419.2021 *Other insurance.* (a) If the insured has or acquires any other insurance against substantially all the risks that are insured against by the Corporation under the contract, regardless of whether such other insurance is valid or collectible, the liability of the Corporation shall not be greater than its share would be if the amount of its obligations were divided equally between the Corporation and such other insurer.

(b) In any case where an indemnity is paid to the insured by another Government agency because of damage to the cotton crop, the Corporation reserves the right to determine its liability under the contract, taking into consideration the amount paid by such other agency.

§ 419.2022 *Subrogation.* The Corporation may require from the insured an assignment of all rights of recovery against any person(s) for loss or damage to the extent that payment therefor is made by the Corporation, and the insured shall execute all papers required and shall do everything that may be necessary to secure such rights.

§ 419.2023 *Creditors.* An interest existing by virtue of a debt, lien, mortgage, garnishment, levy, execution, bankruptcy, or any other process shall not be considered an interest in an insured crop within the meaning of this subpart.

PAYMENT OF INDEMNITY TO PERSONS OTHER THAN ORIGINAL INSURED

§ 419.2024 *Indemnities subject to all provisions of contract.* Indemnities shall be subject to all provisions of the contract, including the right of the Corporation to deduct from any indemnity the unpaid amount of any earned premium or any other obligation of the insured to the Corporation: *Provided, however,* That in case of a transfer of an interest in an insured crop, such deduction to be made from an indemnity payable to the transferee shall not exceed the premium (plus any penalty) due on the insurance unit or units involved in the transfer, plus the unpaid amount of any other obligation of the transferee to the Corporation. Any indemnity payable to any person other than the original insured as a result of a transfer, or otherwise, shall be subject to any collateral assignment of the contract by the original insured.

§ 419.2025 *Collateral assignment of right under contract.* The right to an indemnity under a contract may be assigned by the original insured as collateral security for a loan or other obligation of such insured. Such assignment shall be made by the execution of a form entitled "Collateral Assignment," and, upon approval thereof by the Corporation, the interests of the assignee will be recognized, if an indemnity is payable under the contract, to the extent of the amount determined to be the unpaid balance of the amount (including interest and other charges) for which such assignment was made as collateral security: *Provided, however,* That (a) payment of any indemnity will be subject to all conditions and provisions of the contract and to any deductions authorized under § 419.2024 and (b) payment of the indemnity may be made by check payable jointly to all persons entitled thereto and such payment shall constitute a complete discharge of the Corporation's obligation with respect to any loss under the contract. The Corporation's approval of an assignment shall not create in the assignee any right other than that derived from the assignor: *Provided, however,* That the assignee may submit a "Statement in Proof of Loss," if the insured refuses to submit, or disappears without having submitted, such statement. The Corporation shall in no case be bound to accept notice of any assignment of the contract, and nothing contained in any assignment shall give any right against the Corporation to any person other than the insured, except to an assignee approved by the Corporation. Only one such assignment will be recognized in connection with the contract, but, if an assignment is released, a new assignment may be made.

§ 419.2026 *Payment to transferee.* In the event of a transfer of all or a part of the insured interest in a cotton crop before the beginning of harvest or the time of loss, whichever occurs first, the transferor shall immediately notify the Corporation thereof in writing at the office of the county association or other office specified by the Corporation. The transferee under such a transfer shall be entitled to the benefits of the contract with respect to the interest so transferred, subject to any assignment made by the original insured in accordance with § 419.2025: *Provided, however,* That the Corporation shall not be liable for a greater amount of indemnity in connection with the insured crop than would have been paid if the transfer had not taken place: *Provided, further,* That an involuntary transfer of an insured interest in a cotton crop solely because of the existence of a debt, lien, mortgage, garnishment, levy, execution, bankruptcy, or other process shall not entitle any holder of any such interest to any benefits under the contract. If, as a result of any such transfer, diverse interests appear with respect to any insurance unit, the indemnity, if any, payable with respect to such unit may be paid jointly to all persons having the insured interest in the crop at the time harvest is commenced or the time of loss, whichever occurs first, or to one of such persons on behalf of all such persons, and payment in any such manner shall constitute a complete discharge of the Corporation's liability with respect to such unit under the contract.

§ 419.2027 *Death, incompetence, or disappearance of insured.* (a) If the insured dies, is judicially declared incompetent, or disappears before the time of loss or the time harvest is commenced, whichever occurs first, and his insured

interest in the cotton crop is a part of his estate at such time, or if the insured dies, is judicially declared incompetent, or disappears subsequent to such time, the indemnity, if any, shall be paid to the legal representative of his estate, if one is appointed or is duly qualified. If no such representative is or will be so qualified, the indemnity shall be paid to the persons beneficially entitled to share in the insured's interest in the crop or to any one or more of such persons on behalf of all such persons: *Provided, however,* That if the indemnity exceeds $500, the Corporation may withhold the payment of the indemnity until a legal representative of the insured's estate is duly qualified to receive such payment.

(b) If the insured dies, is judicially declared incompetent, or disappears before the time of loss or the time harvest is commenced, whichever occurs first, and his interest in the crop is not a part of his estate as such time, the indemnity, if any, shall be paid to the person(s) who succeeded to his interest in the crop in the manner provided for in § 419.2026.

(c) If an applicant for insurance dies, is judicially declared incompetent, or disappears less than fifteen days before the applicable calendar closing date for the filing of applications for insurance, and before the beginning of planting of the cotton crop, whoever succeeds him on the farm with the right to plant the cotton crop as his heir or heirs, administrator, executor, guardian, committee, or conservator shall be substituted for the original applicant upon filing with the office of the county association, or other office specified by the Corporation, within fifteen days (unless such period is extended by the Corporation) after the date of such death, judicial declaration, or termination of the period which establishes disappearance within the meaning of this subpart, or before the date of the beginning of planting, whichever is earlier, a statement in writing, in the form and manner prescribed by the Corporation, requesting such substitution and agreeing to assume the obligations of the original applicant arising out of such application. If no such statement is filed, as required by this paragraph, the original application shall be void.

(d) The insured shall be deemed to have disappeared within the meaning of this subpart if he fails to file with the office of the County Association or other office specified by the Corporation written notice of his new mailing address within 180 calendar days after any communication by or on behalf of the Corporation is returned undeliverable at the last known address of the insured.

§ 419.2028 *Fiduciaries.* Any indemnity payable under a contract entered into in the name of a fiduciary who is no longer acting in such capacity at the time for the payment of indemnity will be made to the succeeding fiduciary upon appropriate application and proof satisfactory to the Corporation of his incumbency. If there is no succeeding fiduciary, payment shall be made to the persons beneficially entitled under this part to the insured interest in the crop, to the extent of their respective interests, upon proper application and proof of the facts: *Provided, however,* That the settlement may be made with any one or more of the persons so entitled, and payment may be made to such person or persons in behalf of all the persons so entitled, whether or not the person to whom payment is made has been authorized by the other interested persons to receive such payment.

§ 419.2029 *Determination of person to whom indemnity shall be paid.* In any case where the insured has transferred his interest in all or a portion of the cotton crop on any insurance unit, or has ceased to act as a fiduciary, or has died, has been judicially declared incompetent or has disappeared, payment in accordance with the provisions of this subpart will be made only after the facts have been established to the satisfaction of the Corporation. The determination of the Corporation as to the existence or non-existence of a circumstance in the event of which payment may be made and of the person(s) to whom such payment will be made shall be final and conclusive. Payment of any indemnity under this section shall constitute a complete discharge of the Corporation's obligation with respect to the loss for which such indemnity is paid and settled and shall be a bar to recovery by any other person.

REFUNDS OF EXCESS NOTE PAYMENTS

§ 419.2030 *Refunds of excess note payments.* The Corporation shall not be required to make a refund of any excess payment made on account of a note until the insured acreage of cotton has been determined for all insurance units covered by the contract.

There shall be no refund of an amount less than $1.00 with respect to overpayment of any premium unless written request for such refund is received by the Corporation within one year after the expiration of the contract.

§ 419.2031 *Assignment or transfer of claims for refunds not permitted.* No claim for a refund, or any part or share thereof, or any interest therein, shall be assignable or transferable, notwithstanding any assignment of the contract or any transfer of interest in any cotton crop covered by the contract. Refund of any excess note payment will be made only to the person who made such payment, except as provided in § 419.2032.

§ 419.2032 *Refund in case of death, incompetence, or disappearance.* In any case where a person who is entitled to a refund of a payment has died, has been judicially declared incompetent, or has disappeared, the provisions of § 419.2027 with reference to the payment of indemnities in any such case shall be applicable with respect to the making of any such refund.

ESTABLISHMENT OF COVERAGES AND PREMIUM RATES

§ 419.2033 *Establishment of coverages per acre.* The Corporation shall establish coverages per acre in dollars for use as set forth in § 419.2008. Such coverages shall not exceed the average investment per acre in the crop in the area, as determined by the Corporation, taking into consideration recognized farming practices. The coverages shall be on file in the office of the county association or other office specified by the Corporation.

§ 419.2034 *Establishment of premium rates.* The Corporation shall establish premium rates per acre in dollars for all acreage for which coverages per acre are established. Such rates shall be those deemed adequate to cover claims for 1948 cotton crop losses and to provide a reasonable reserve against unforeseen losses and shall be on file in the office of the County Association or other office specified by the Corporation.

GENERAL

§ 419.2035 *Records and access to farm.* For the purpose of enabling the Corporation to determine the loss, if any, that may have occurred under the contract, the insured shall keep, or cause to be kept, for one year after the time of loss, records of the harvesting, ginning, storage, shipment, sale, or other disposition of all cotton produced on each insurance unit covered by the contract and on any acreage for which coverages are not established in the county in which he has an interest. Such records shall be made available for examination by the Corporation, and as often as may be reasonably required, any person or persons designated by the Corporation shall have access to the farm(s).

§ 419.2036 *Applicant's warranties; voidance for fraud.* In applying for insurance the applicant warrants that the information, data, and representations submitted by him in connection with the contract are true and correct, and are made by him, or by his authority, and shall be taken as his act. The contract may be voided and the premium forfeited to the Corporation without the Corporation's waiving any right or remedy, including its right to collect the amount of the note executed by the insured, whether before or after maturity, if at any time the insured has concealed any material fact or made any false or fraudulent statements relating to the contract, the subject thereof, or his interest in the cotton crop covered thereby, or if the insured shall neglect to use all reasonable means to produce, care for or save the cotton crop covered thereby, whether before or after damage has occurred, or if the insured fails to give any notice, or otherwise fails to comply with the terms of the contract, including the note, at the time and in the manner prescribed.

§ 419.2037 *Modification of contract.* No notice to any representative of the Corporation or knowledge possessed by any such representative or by any other person shall be held to effect a waiver of or change in any part of the contract or to estop the Corporation from asserting any right or power under such contract; nor shall the terms of such contract be waived or changed except as authorized in writing by a duly authorized officer or representative of the Corporation; nor shall any provision or condition of the

contract or any forfeiture be held to be waived by any delay or omission by the Corporation in exercising its rights and powers thereunder or by any requirement, act, or proceeding, on the part of the Corporation or of its representatives, relating to appraisal or to any examination herein provided for.

§ 419.2038 *Rounding of fractional units.* Amounts of insurance and premiums shall be rounded to the nearest cent. Fractions of acres shall be rounded to the nearest tenth of an acre. Computations shall be carried through the digit that is to be rounded. If the digit to be rounded is 1, 2, 3, or 4, the rounding shall be downward. If the digit to be rounded is 5, 6, 7, 8, or 9, the rounding shall be upward.

§ 419.2039 *Closing dates.* The closing date for the submission of applications to the office of the County Association or other office designated by the Corporation shall be the date of the beginning of planting of the cotton crop on any insurance unit covered by the application, or the following applicable date, whichever is earlier:

January 31 for Cameron, Donley, Jones, Knox, Lubbock, and Nueces Counties, Texas.

March 15 for Pike and Houston Counties, Alabama; Burke and Dooly Counties, Georgia; Bienville, Caddo, Natchitoches, and Richland Parishes, Louisiana; Covington County, Mississippi; and Anderson, Collin, Hill, McLennan, Red River, Rush, and Williamson Counties, Texas.

March 25 for Pinal County, Arizona; Fresno and Tulare Counties, California; Chaves County, New Mexico; and Reeves County, Texas.

March 31 for all other counties.

The establishment of a closing date for any county shall not be construed to mean that insurance will be provided in such county in accordance with this subpart.

§ 419.2040 *Maturity dates for premiums.* The maturity dates for the payment of premiums shall be as follows:

August 10, 1948 for Cameron and Nueces Counties, Texas.

September 30, 1948 for Pinal County, Arizona; Fresno and Tulare Counties, California; Chaves County, New Mexico; and Reeves County, Texas.

August 31, 1948 for all other counties.

§ 419.2041 *Meaning of terms.* For the purpose of the Cotton Crop Insurance Program, the term:

(a) "Contract" means the accepted application for insurance and the regulations in this subpart and any amendments thereto.

(b) "Corporation" means the Federal Crop Insurance Corporation.

(c) "Cotton crop" means only American Upland cotton and does not include cotton planted primarily for experimental purposes.

(d) "County" means the area commonly designated as such, and includes a parish in Louisiana.

(e) "County Actuarial Table" means the form and related material approved by the Corporation for listing the coverages per acre and the premium rates per acre, applicable in the county.

(f) "County association" means the County Agricultural Conservation Association in the county.

(g) "Crop year" means the period beginning with the day following the applicable closing date for the filing of applications for insurance and within which the cotton crop is planted and normally harvested, and shall be designated by reference to the calendar year in which the crop is planted.

(h) "Farm" means that acreage of land which constitutes an insurance unit, and is defined only for the purpose of determining if the minimum participation requirement is met.

(i) "First cultivation" means the first tillage of the cotton after it is up which must be performed with an implement (other than a spike tooth or section harrow, rotary hoe, or stalk cutter) designed for use on individual cotton rows for the purpose of working the ground close to the plants.

(j) "Harvest" means the removal of seed cotton from the open cotton boll or the severance of the open cotton boll from the stalk by either manual or mechanical means. For the purpose of determining the stages of production any acreage which has been harvested one time, as determined by the Corporation, shall be considered as harvested.

(k) "Insurance unit" means all insurable acreage considered for crop insurance purposes to be located in the county (1) in which the insured has 100 percent interest, plus any acreage owned by him and worked for him by sharecroppers, or (2) which is owned by the insured and rented to one tenant, or (3) which is owned by one person and operated by the insured as a tenant, or (4) which is owned by one person and worked by the insured as a sharecropper: *Provided, however,* That in the case of land rented for cash or for a fixed commodity payment the lessee shall be considered as the owner. Acreage shall be considered to be located in the county if, on or before the closing date for filing applications in the county, a coverage is established for such acreage on the county actuarial table.

(l) "Laying by" means the completion of the final cultivation, consistent with good farming practices, that would be necessary to carry the crop to harvest.

(m) "Newground acreage" means acreage on which it was necessary to remove or deaden timber and remove undergrowth to carry out established cultural practices. Pasture land, other than woodland pasture, cleared of underbrush and brought into cultivation will not be considered new ground land.

(n) "Person" means an individual, partnership, association, corporation, estate, or trust, or other business enterprise or other legal entity and, wherever applicable, a State, a political subdivision of a State, or any agency thereof.

(o) "Premium rate" means the premium rate per acre established by the Corporation.

(p) "Sharecropper" means a person who works a farm in whole or in part under the general supervision of the operator and is entitled to receive for his labor a share of the cotton crop thereon or of the proceeds therefrom. A sharecropper shall not be considered as an operator.

(q) "State Director" means the representative of the Corporation responsible for the executive direction of the Federal crop insurance program in the State.

(r) "Tenant" means a person other than a sharecropper who rents land from another person (for a share of the crop or proceeds therefrom), and is entitled under a written or oral lease or agreement to receive all or a share of the crop or proceeds therefrom produced on such land. A tenant shall be considered as an operator.

NOTE: The record keeping requirements of these regulations have been approved by, and subsequent reporting requirements will be subject to the approval of, the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Adopted by the Board of Directors on November 26, 1947.

[SEAL] E. D. BERKAW,
Secretary,
Federal Crop Insurance Corporation.

Approved: December 1, 1947.

CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 47-10674; Filed, Dec. 3, 1947; 8:47 a. m.]

TITLE 10—ARMY

Chapter III—Claims and Accounts

PART 306—CLAIMS AGAINST THE UNITED STATES

MISCELLANEOUS AMENDMENTS

1. In § 306.51 (9 F. R. 11047) rescind paragraphs (a) (2), (a) (6), (b) (5), and (b) (6) and substitute the following:

§ 306.51 *Expenses allowable.* (a) * * *

(2) *Transportation.* The Government is responsible for providing transportation for the remains to the city or town or to an address not located in a city or town designated by the next of kin in disposiion instructions. Authorized transportation necessary to ship the remains to the common carrier terminal of the city or town designated by legal next of kin, or in the absence of instructions from such next of kin, to the common carrier terminal of the nearest national or post cemetery, will be provided in accordance with § 930.6 of this chapter. The term "common carrier terminal" as used herein is defined as the railroad station or ship's pier in the city or town having rail or water service that meets the military requirements of the Government. If the destination specified by the next of kin is a city or town without suitable rail or water service (hereinafter referred to as an inland town) or it is an address not located in a city or town, and transportation beyond a common carrier terminal is required, the provisions of subdivision (ii) (*b*) of this subparagraph will govern. The provisions of this subparagraph as hereinafter stated apply equally to current deceased who die on or after October 10, 1947 and World War II deceased

declared eligible under the provisions of Public Law 383, 79th Congress, as amended by Public Law 368, 80th Congress.

(i) No shipment of remains will be made direct to national or post cemeteries without prior clearance from the national cemetery superintendent or commanding officer of the post cemetery concerned. When remains are shipped to a national or post cemetery for interment, the commanding officer of the station from which the remains are shipped will advise by telegram the national cemetery superintendent or commanding officer of the post cemetery of the mode of shipment, date, and time of departure and scheduled time of arrival of the remains. Upon receipt of shipping advice, the national cemetery superintendent or commanding officer of the post cemetery will make all necessary arrangements incident to the receipt, handling, transportation (including transportation of escort from common carrier terminal and return thereto), and temporary storage, when necessary, of the remains. Government facilities and labor will be used if available. If necessary, the services of a contract funeral director will be used when available. The funeral director rendering any of the services called for will be required to submit a properly certified itemized invoice to the national cemetery superintendent or commanding officer of the post cemetery concerned who will place thereon the following certification and then forward it to the appropriate Army purchasing and contracting officer for processing and payment: "I certify that the services itemized on this invoice have been satisfactorily rendered." Separate invoices will be required for current deceased and World War II deceased. National cemetery superintendents and commanding officers of post cemeteries will annotate each invoice received with a statement that the services rendered were either for current or World War II deceased.

(ii) Shipment of remains to destinations specified by next of kin for funeral services with subsequent interment in a national or post cemetery: Prior to shipment, next of kin will be requested to designate a funeral director to receive the remains upon arrival at the common carrier terminal at destination. When remains are shipped by common carrier to the city or town, or to an address not located in a city or town, specified by the next of kin for funeral services prior to interment in a national or post cemetery, next of kin is responsible for making all arrangements for receiving the remains upon arrival at the common carrier terminal at or nearest the destination specified. (See subdivisions (ii) (*a*) and (ii) (*b*) of this subparagraph. Next of kin is responsible also for making all arrangements for interment with the national cemetery superintendent or commanding officer of the post cemetery, and for delivery of the remains at his own expense direct to the cemetery grave site at such time as may be designated by the superintendent or commanding officer. When Government hearse facilities are available at the cemetery and the remains arrive at a common carrier terminal serving the cemetery, such hearse facilities may be utilized to transport the remains from that terminal to the cemetery, at no expense to the next of kin. Transportation requests will not be furnished for the transportation of the remains or escort from an intermediate point to a national or post cemetery. Next of kin may receive a partial reimbursement for transportation costs when burial is made ultimately in a national or post cemetery (see subdivision (iv) of this subparagraph).

(*a*) When next of kin specifies a city or town served by suitable common carrier transportation: Common carrier transportation is furnished by the Government to the common carrier terminal serving the city or town of destination. Hearse hire to transport the remains upon arrival at the common carrier terminal is an obligation of the next of kin.

(*b*) When next of kin specifies an inland town or an address not located in a city or town: Common carrier transportation is furnished by the Government to the common carrier terminal nearest the specified destination. Normally, transportation of the remains and escort from the common carrier terminal nearest the specified destination, and return of escort thereto, is made by the receiving funeral director engaged by the next of kin. The receiving funeral director will be advised to submit a properly certified itemized invoice to the commanding officer of the shipping station, listing the cost of hearse hire to transport the remains and escort to destination specified, and to return escort to the common carrier terminal, should this be necessary. When the next of kin fails to engage a receiving funeral director, the commanding officer of the shipping station through his designated purchasing and contracting officer will contract in accordance with current Procurement Regulations with a funeral director located at or near the common carrier terminal nearest the specified destination, to receive the remains upon arrival and to transport the remains and escort to the inland destination specified, and to return escort to the common carrier terminal, should this be necessary. The funeral director will be advised to submit a properly certified itemized invoice for the services rendered. Invoices when received by the commanding officer will be annotated with a statement that the services rendered were either for current or World War II deceased, and forwarded to the local finance officer for payment.

(iii) Shipment of remains by common carrier to destination specified by next of kin for burial in a private cemetery: Prior to shipment, next of kin will be requested to designate a funeral director to receive the remains upon arrival at the common carrier terminal at destination. When remains are shipped by common carrier to the city or town or to an address not located in a city or town specified by the next of kin for interment in a private cemetery, next of kin is responsible for making all arrangements for receiving the remains upon arrival at the common carrier terminal at or nearest to the destination specified. Should next of kin, after having designated burial in a private cemetery, decide to have the remains interred in a national or post cemetery of his choice, next of kin is responsible for making all arrangements for interment with the cemetery superintendent or commanding officer of the post cemetery, and for delivery of the remains at his own expense direct to the cemetery grave site. (See subdivision (ii) of this subparagraph.)

(*a*) Next of kin specifies a city or town served by common carrier transportation. (See subdivision (ii) (*a*) of this subparagraph.)

(*b*) Next of kin specifies an inland town or an address not located in a city or town. (See subdivision (ii) (*h*) of this subparagraph.)

(iv) Reimbursement for transportation costs when remains are shipped to next of kin prior to interment in a national or post cemetery: When the actual transportation cost to the Government in delivering the remains to a destination designated by next of kin is less than what it would have cost the Government to deliver the remains direct to the national or post cemetery, the next of kin upon filing claim therefor, may be allowed the difference in cost if the amount expended by the next of kin for transportation to the national or post cemetery equals or exceeds such difference in cost; otherwise only an amount equal to that actually expended by the next of kin for such transportation may be allowed. No other allowance will be made.

(v) Claims for reimbursement must be submitted in the form of an unitemized certificate to the commanding officer of the shipping installation who will forward them to the local finance officer for processing and payment. This certificate must be signed by the person paying the transportation expenses from the home to the national or post cemetery, must show the total amount actually paid for such transportation, to include the cost of hearse hire from the common carrier terminal at or nearest the national or post cemetery to the cemetery grave site, must indicate name and location of national or post cemetery where final interment was made, and must indicate whether decedent was current or World War II deceased.

* * * * *

(6) *Interment expenses.* The provisions of this subparagraph as hereinafter stated apply equally to current deceased who die on or after October 10, 1947 and World War II deceased declared eligible under the provisions of Public Law 383, 79th Congress, as amended by Public Law 368, 80th Congress.

(i) Interment in a private cemetery: An amount not exceeding $75 will be allowed toward interment expenses when final interment of remains is in a private cemetery. Upon request, the Government will reimburse such next of kin or other persons who pay interment expenses for such expenses up to but not exceeding the $75 maximum; any expenses over and above this amount must be borne by the next of kin or other persons who incurred or paid the expenses. An unitemized certificate signed by the person paying the interment expenses, showing the total

amount of interment expenses actually paid, should be submitted by such persons to the commanding officer who arranged for shipment of the remains. The certificate must also indicate name and location of cemetery where final interment was made. The commanding officer, upon receiving such certificate, will place thereon a statement that the decedent was either current or World War II deceased, and then forward the certificate to the local finance officer for payment.

(ii) Interment in a national or post cemetery:

(*a*) Reimbursement of interment expenses will not be made to next of kin or any other person when burial is in a national or post cemetery.

(*b*) In connection with interments in national and post cemeteries, superintendents and commanding officers thereof will make all necessary arrangements for grave lowering devices, artificial grass matting, or such other equipment as may be required for interment of remains. Government facilities will be used if available. The services of a contract funeral director will be used where available.

(c) The funeral director rendering any of the services called for will be required to submit a properly certified itemized invoice to the national cemetery superintendent or commanding officer of the post cemetery concerned, who will place thereon the following certification, and then forward it to the appropriate Army purchasing and contracting officer for processing and payment: "I certify that the services itemized on this invoice have been satisfactorily rendered." Separate invoices will be required for current deceased and World War II deceased. National cemetery superintendents and commanding officers of post cemeteries will annotate each invoice received with a statement that the services rendered were either for current or World War II deceased.

(*d*) The Government is responsible for providing appropriate religious services at the final interment in a national or post cemetery except when next of kin desires to arrange for and to substitute private religious services. Normally, appropriate religious services will be provided by utilizing the services of military chaplains on active duty, or National Guard, Reserve Corps, or Naval Reserve chaplains when available. When military, National Guard, or Reserve chaplains are not available, the services of civilian clergymen may be utilized. When the services of civilian clergymen cannot be obtained gratuitously, their services may be obtained on a contractual basis. In the latter case, compensation for such services is payable by the Government as a part of the expenses of and incident to interment. Civilian clergymen rendering services on a contractual basis will be required to submit an invoice to the national cemetery superintendent or commanding officer of the post cemetery concerned, who will process the invoice in the same manner as prescribed in subdivision (ii) (c) of this subparagraph.

* * * * *

(b) *For components other than Regular Army* (§ 306.50 (*b*)). * * *

(5) Interment expenses not to exceed $75. See paragraph (a) (6) of this section.

(6) Transportation of remains, including round-trip transportation and subsistence of an escort, to decedent's home or the place where he received orders for the period of training upon which engaged at the time of his death, or to such other place as his relatives may designate provided the distance to such other place is not greater than the distance to his home. When the destination specified is an inland town or an address not in a city or town, the provisions of paragraph (a) (2) (iii) (*b*) of this section will apply, subject to the limitations imposed by the preceding sentence.

2. Amend paragraph (f) of § 306.52 as follows:

§ 306.52 *Burial services, how obtained.* * * *

(f) *For military prisoners.* * * *

(2) Interment at place of death; or interment expenses not to exceed $75:

(i) [Rescinded.]

(ii) [Rescinded.]

(iii) [Rescinded.]

(iv) [Rescinded.]

[AR 30–1830, Oct. 13, 1944, as amended by C4 Oct. 22, 1947] (52 Stat. 398, 60 Stat. 182, Pub. Law 368, 80th Cong.; 10 U. S. C. 916–916d)

[SEAL] EDWARD F. WITSELL,
Major General,
The Adjutant General.

[F. R. Doc. 47–10657; Filed, Dec. 3, 1947; 8:52 a. m.]

Chapter V—Military Reservations and National Cemeteries

PART 505—MOTION PICTURE SERVICE

EMPLOYMENT OF THEATER PERSONNEL

Section 505.10 (c) is rescinded and § 505.10 (a) (12 F. R. 193) is changed as follows:

§ 505.10 *Employment of theater personnel.* (a) Employment of enlisted personnel on a voluntary basis, during off-duty hours, in connection with Army theater activities is authorized, provided such employment does not impair or diminish the efficiency in performance of assigned military duties. The number and names of the positions and the maximum rates of pay that may be paid employees of Army theaters will be as designated by the Army Motion Picture Service, Office of the Chief of Special Services. Such compensation will not exceed $75 per month.

* * * * *

(c) [Rescinded.]

[Par. 19, AR 210–390, Dec. 6, 1946, as changed by C2, Oct. 28, 1947] (R. S. 161; 5 U. S. C. 22)

[SEAL] EDWARD F. WITSELL,
Major General.
The Adjutant General.

[F. R. Doc. 47–10654; Filed, Dec. 3, 1947; 8:51 a. m.]

Chapter VI—Organized Reserves

PART 601—OFFICERS RESERVE CORPS

MEDICAL DEPARTMENT RESERVE

Rescind paragraph (o) of § 601.3 and substitute the following therefor:

§ 601.3 *Sections of the Officers Reserve Corps are.* * * *

(o) Medical Department Reserve.[2]

(1) Army Medical Service Corps Reserve, AMS-Res.

(2) Army Nurse Corps Reserve, ANC-Res.

(3) Dental Corps Reserve, Dent-Res.

(4) Medical Corps Reserve, Med-Res.

(5) Veterinary Corps Reserve, Vet-Res.

(6) Women's Medical Specialists Corps Reserve, WMS-Res.

[WD Cir. 356, Dec. 3, 1946, as amended by Cir. 35, Nov. 5, 1947, Dept. of the Army] (Sec. 37, 39 Stat. 189, as amended; 10 U. S. C. 353)

[SEAL] EDWARD F. WITSELL,
Major General,
The Adjutant General.

[F. R. Doc. 47–10655; Filed, Dec. 3, 1947; 8:51 a. m.]

TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

[Reg. Serial No. 390–B]

PART 41—CERTIFICATION AND OPERATION RULES FOR SCHEDULED AIR CARRIER OPERATIONS OUTSIDE CONTINENTAL LIMITS OF UNITED STATES

PART 42—NONSCHEDULED AIR CARRIER CERTIFICATION AND OPERATION RULES

PART 61—SCHEDULED AIR CARRIER RULES

EXTENSION OF TERMINATION DATE

Adopted by the Civil Aeronautics Board at its office in Washington, D. C. on the 28th day of November 1947.

Civil Air Regulations Amendments 41–3, 42–2, and 61–2 require certain design changes and installations to be made on all airplanes used in passenger air carrier service. Special Civil Air Regulation 390, adopted May 14, 1947, provided that an air carrier need not comply with the provisions of these amendments in those instances where notification and showing has been made to the Administrator that the required installations and modifications could not be accomplished because of inability to procure the necessary equipment or parts. Such regulation further provided that the modifications must be completed as soon as the lacking materials became available.

On October 31, 1947, the Board extended the expiration date of Special Civil Air Regulation Number 39 from November 1, 1947, to December 1, 1947, on a showing by certain air carriers that the required parts were still unavailable. The extension was limited to a period of 30 days in order that the Board might further study the problem presented by the continuing unavailability of such parts and to determine the best pro-

[2] Enlistments will be in the Medical Department Reserve. Appointments of officers in appropriate sections only.

cedure, consistent with safety, of applying the basic requirements to individual aircraft as the parts became available.

As a result of this study the Board finds that the items of equipment and parts in short supply vary with each airplane and that an examination will have to be made in each case to determine the extent of compliance appropriate to the particular modification. The provisions of Special Civil Air Regulation Number 390 require such specific consideration by the Administrator before the airplane can be returned to passenger service. The Board also finds that even where full modification has not been possible, substantial compliance with these amendments has accomplished a material improvement in safety. In view of the foregoing the Board considers that it is in the public interest to extend the termination date of Special Civil Air Regulation Number 390 to May 1, 1948.

Because of the above, notice and public procedures hereon are impracticable. Since this regulation imposes no additional burden on any person, it may be made effective without prior notice.

The Civil Aeronautics Board hereby amends Special Civil Air Regulation Serial Number 390, as amended, (12 F. R. 3285, 7325) by extending the termination date thereof from December 1, 1947, to May 1, 1948.

(Sec. 205 (a), 52 Stat. 984; 49 U. S. C. 425 (a))

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 47-10666; Filed, Dec. 3, 1947; 8:47 a. m.]

TITLE 15—COMMERCE

Subtitle A—Office of the Secretary of Commerce

PART 12—DELEGATIONS OF AUTHORITY

AUTHORITY TO ACT AS SECRETARY

Section 12.5 *Authority to act as Secretary* (11 F. R. 177A-303) is amended to read as follows:

§ 12.5 *Authority to act as Secretary.* Under Executive Order 9885 of August 18, 1947 (12 F. R. 5583), the Assistant Secretaries of Commerce are authorized, the date of their commissions to govern the order of precedence, to perform the duties of the Secretary of Commerce in case of the absence, sickness, resignation, or death of the Secretary of Commerce and of the Under Secretary of Commerce; and the Solicitor of Commerce is authorized to perform the duties of the Secretary of Commerce in case of the absence, sickness, resignation, or death of the Secretary of Commerce, the Under Secretary of Commerce, and the Assistant Secretaries of Commerce. (Sec. 3, 60 Stat. 238; 5 U. S. C. Sup. 1102)

WILLIAM C. FOSTER,
Acting Secretary of Commerce.

[F. R. Doc. 47-10644; Filed, Dec. 3, 1947; 8:49 a. m.]

PART 12—DELEGATIONS OF AUTHORITY

DIRECTOR OF OFFICE OF TECHNICAL SERVICES

§ 12.11 *Executive Order 9768.* The authority of the Secretary of Commerce under Executive Order 9768, August 9, 1946 (11 F. R. 8711), was terminated by Executive Order 9903 dated November 12, 1947 (12 F. R. 7413), except as to articles entered for consumption, or withdrawn from warehouse for consumption, prior to the thirtieth day after the date of Executive Order 9903. Section 12.11 (11 F. R. 9733) is therefore modified according to the terms of Executive Order 9903, and as of December 12, 1947, is entirely revoked.

WILLIAM C. FOSTER,
Acting Secretary of Commerce.

[F. R. Doc. 47-10645; Filed, Dec. 3, 1947; 8:49 a. m.]

TITLE 33—NAVIGATION AND NAVIGABLE WATERS

Chapter I—Coast Guard, Department of the Treasury

[CGFR 47-56]

PART 16—REGULATIONS FOR RECEIPT OF DONATIONS FOR CHAPEL, COAST GUARD ACADEMY

SUBPART 16.01—GENERAL PROVISIONS

Sec.
16.01-1 Basis and purpose.
16.01-5 Treasurer.
16.01-10 Committees.

SUBPART 16.05—CONTRIBUTIONS

16.05-1 Receipts for cash.
16.05-5 Checks.
16.05-10 Accountability.

AUTHORITY: §§ 16.01-1 to 16.05-10, issued under an act approved July 21, 1947 (Pub. Law 209, 80th Cong., 1st Sess.).

SUBPART 16.01—GENERAL PROVISIONS

§ 16.01-1 *Basis and purpose.* By virtue of the authority contained in the act approved July 21, 1947 (Pub. Law 209, 80th Cong., 1st Sess.), regulations are hereby prescribed to provide for the receipt of, and accounting for, private contributions to assist in construction of a Chapel at the Coast Guard Academy.

§ 16.01-5 *Treasurer.* All funds received by private contributions shall be accounted for by an officer designated by the Commandant as Treasurer, Coast Guard Academy Chapel Fund.

§ 16.01-10 *Authority to receive contributions.* The Commandant may authorize persons, groups, or committees to receive contributions to the Coast Guard Academy Chapel Fund and the Treasurer shall furnish all persons receiving funds a supply of blank receipt forms.

SUBPART 16.05—CONTRIBUTIONS

§ 16.05-1 *Receipt for contributions.* The immediate receiving person shall give proper receipt for all contributions. Receipts shall be prepared in duplicate, one copy for the contributor and the other copy to accompany the contribution. Contributions may be made by check. In such cases the check should be made payable to Treasurer, Coast Guard Academy Chapel Fund.

§ 16.05-5 *Accountability.* All contributions shall be forwarded to the Treasurer, Coast Guard Academy Chapel Fund, Coast Guard Headquarters, Washington, D. C., for deposit in the United States Treasury according to existing regulations governing official funds to the credit of the following receipt account: "20-8535—Donations for Chapel, Coast Guard Academy".

Dated: November 26, 1947.

[SEAL] E. H. FOLEY, Jr.,
Acting Secretary of the Treasurer.

[F. R. Doc. 47-10665; Filed, Dec. 3, 1947; 8:52 a. m.]

Chapter II—Corps of Engineers, Department of the Army

PART 203—BRIDGE REGULATIONS

OLDMANS CREEK BRIDGE, NORTONVILLE, N. J.

Pursuant to the provisions of section 5 of the River and Harbor Act of August 18, 1894 (28 Stat. 362; 33 U. S. C. 499), the regulations contained in § 203.221, governing the operation of drawbridges across navigable waters of the United States within the State of New Jersey where constant attendance of draw tenders is not required are hereby amended by adding the New Jersey State Highway Department bridge across Oldmans Creek near Nortonville to paragraph (f) as follows:

§ 203.221 *Navigable waters of the United States within the State of New Jersey; bridges where constant attendance of draw tenders is not required.* * * *

(f) The bridges to which these regulations apply, and the advance notice required in each case, are as follows:

* * * * *

Oldmans Creek; New Jersey State Highway Department bridge near Nortonville and Pennsylvania-Reading Seashore Lines railroad bridge near Pedricktown. At least 24 hours' advance notice required.

[Regs. 12 Nov. 1947, CE 823 (Oldmans Creek—Nortonville, N. J.)—ENGWR] (Sec. 5, 28 Stat. 362, as amended; 33 U. S. C. 499)

[SEAL] EDWARD F. WITSELL,
Major General,
The Adjutant General.

[F. R. Doc. 47-10656; Filed, Dec. 3, 1947; 8:51 a. m.]

TITLE 34—NAVY

Chapter I—Department of the Navy

PART 39—COST INSPECTION UNDER CONTRACTS

Sec.
39.1 Introduction.
39.2 Reimbursement procedure.
39.3 Public voucher forms.
39.4 Frequency of submission of public vouchers.
39.5 Accounting principles.
39.6 Provisional payments.
39.7 Contractors' accounting systems.
39.8 Excessive or unreasonable costs disallowed.
39.9 Acquisitions of property or space by contractors.
39.10 Royalties.
39.11 Appeal procedure.

Sec.
39.12 Documentary evidence required by General Accounting Office.
39.13 Accounting reviews of contractors' termination settlement proposals.

AUTHORITY: §§ 39.1 to 39.13, inclusive, issued under 5 Stat. 580; 5 U. S. C. 430.

§ 39.1 *Introduction.* The information set forth under this caption pertains to the reimbursement and cost determination procedures followed in connection with those Navy cost-type contracts which provide for payments to contractors for their costs of performance as determined or accepted by the Bureau of Supplies and Accounts. The Cost Inspection Service of this Bureau is charged with the responsibility of determining the true costs under such contracts; the Cost Inspection Service also functions in an advisory capacity for other Bureaus and Offices of the Navy Department and various other Governmental Departments and Agencies by conducting audits and cost investigations to determine unit prices, overhead rates, etc.

§ 39.2 *Reimbursement procedure.* Briefly, the reimbursement procedure involves the following:

(a) Preparation of a claim (that is, an invoice or public voucher) by the contractor.

(b) Audit and certification of the claim by the Cost Inspector.

(c) Certification of the claim by the Navy Technical Inspector.

(d) Review of the claim by the Supervisory Cost Inspector.

(e) Payment (of the amount approved by the Cost Inspector and Technical Inspector) by a Navy Disbursing Office.

Provision is also made for appeals from decisions of local Cost Inspectors disallowing items of cost which the contractors believe to be properly reimbursable under the provisions of their contracts. (See § 39.11).

§ 39.3 *Public voucher forms.* Payments of Government funds, including reimbursements to contractors for their costs under cost-type contracts, require the preparation of public vouchers. For payments on contracts under cost inspection, Standard Form No. 1034 (Revised) is used. This form may be prepared by either the contractor or the Cost Inspector, whichever is more practicable in the individual case. It is also necessary that the contractor execute the standard government certification. This is printed on the public voucher form. In those cases where the public vouchers are prepared by the Cost Inspector, this certification may be executed on the contractor's invoice. The certification reads as follows:

I certify that the above bill is correct and just; that payment thereof has not been received; that all statutory requirements as to American production and labor standards, and all conditions of purchase applicable to the transactions have been complied with; and that state and local taxes are not included in the amount billed.

Where the state and local taxes are included in the amounts billed, the last clause may be deleted from the certification and the following added thereto:

The amount of state or local sales, use, occupational, gross receipts or other similar taxes or license fees imposed on the vendor or vendee by reason of this transaction is $——. The vendor (or vendee, as the case may be) agrees upon direction of the United States to make appropriate claim for refund, and to pay the amount thereof to the United States.

§ 39.4 *Frequency of submission of public vouchers.* Unless otherwise provided in the contract no general restriction is placed on the frequency of submission of public vouchers. In order to reduce paper work, however, such vouchers should not be processed too frequently nor for small amounts except where such amounts represent the final payments under the contracts. It is usually possible to arrange this matter to the mutual satisfaction of the contractor and the Cost Inspector through discussion of the circumstances in each case.

§ 39.5 *Accounting principles.* The accounting principles to be followed in the determination of costs are customarily specified in the contracts. Provision is now made in most contracts for the determination of cost in accordance with the "Explanation of Principles for Determination of Costs under Government Contracts—War Department—Navy Department", published by the United States Government Printing Office, April 1942. Copies of this publication may be obtained from the United States Government Printing Office.

§ 39.6 *Provisional payments.* In many cases payments are made by the Navy before completion of audits and final determination of costs. This has particular application to contracts which provide for payment of overhead expenses on an actual basis. Since final allocation of overhead costs are usually made only at the close of the contractor's fiscal year, it is not ordinarily possible to make a final determination currently. Amounts reimbursed under such circumstances and all other provisional reimbursements are subject to further consideration before the final allowance is made. Moreover, the Bureau of Supplies and Accounts (Cost Inspection Service) in Washington requires that before final payments are made under cost-type contracts the Cost Inspector's final audit reports be submitted to it for review and approval. Only after such approval is it considered that final approval has been given to a contrator's costs.

§ 39.7 *Contractors' accounting systems.* It is the practice of the Bureau of Supplies and Accounts (Cost Inspection Service) to accept the accounting systems and procedures employed by contractors provided such systems and procedures are considered to be adequate from the standpoint of properly reflecting the cost of performing the Navy contract. Where the contractor's accounting system is found to be deficient, corrective action will be required.

§ 39.8 *Excessive or unreasonable costs disallowed.* Contractors will not be reimbursed for excessive or unreasonable costs. The contractors should be particularly alert, therefore, to see that material purchases are made at the lowest prices possible under the circumstances; that excessive quantities of material are not purchased; that labor costs are kept as low as possible; and that overhead charges include only those items which are allowable under the provisions of their contracts.

§ 39.9 *Acquisitions of property or space by contractors.* The Navy Department is required to present for the scrutiny of the Armed Services Committee of Congress all acquisitions of property by lease or otherwise by the Navy or through contractors who are reimbursed directly or indirectly with Naval funds. Such acquisitions are processed through the Bureau of Yards and Docks to the Armed Services Committee. In cases where reimbursements are made to contractors the Cost Inspectors will ascertain that such acquisitions have been properly processed. It is not required that approval be secured in those cases where the rent is included in overhead and compensation for overhead is provided to be paid on a fixed percent of direct labor or other similar fixed basis.

§ 39.10 *Royalties.* In certain cases a royalty free license exists for the use of patents and inventions in the performance of work for the Navy. In order that it may be determined whether such royalty free arrangements apply in the case of an individual contract where charges for royalties are included in cost, it will ordinarily be necessary that the facts be submitted to the Bureau of Supplies and Accounts for consideration. This will be handled by the Cost Inspector with the cooperation of the contractor in assembling necessary data.

§ 39.11 *Appeal procedure.* In a case where a contractor does not agree with the action of a Cost Inspector in disallowing an item claimed as a reimbursable cost, an appeal from such action may be made to the Chief of the Bureau of Supplies and Accounts. Such appeals are accomplished by the submission of an Appeal and Review Brief which is designed to include all information pertinent to the point at issue; the appeal must be taken within sixty (60) days from the date the notice of disallowance is received by the contractor as, otherwise, the disallowance will be considered to be administratively approved by the Chief of the Bureau of Supplies and Accounts and will become final and conclusive, subject only to such further appeal as may be authorized by specific contractual provisions. Information concerning the form in which the appeal is required to be submitted can be obtained from the cognizant Cost Inspector. Appeal and Review Briefs include (a) a statement of the facts involved, (b) the contentions of the contractor, (c) the contentions of the Cost Inspector, (d) the comments of the Supervisory Cost Inspector, (e) and any authorities, references, reports, exhibits, etc. The decision of the Bureau of Supplies and Accounts is also prepared in such a way as to make possible its incorporation as part of the Brief. The Brief should cover only a particular classification of cost or involve similar or substantially identical principles of cost determination. If two or more unrelated articles or principles are in dispute, the appeal should be made through the presentation of two or more Briefs. In the event of an adverse decision by the Bureau of Supplies and Accounts, the contractor has the right of appeal to the

Secretary of the Navy (Board of Contract Appeals) for a review thereof, provided such appeal is made within thirty (30) days after receipt of the Bureau's decision.

§ 39.12 *Documentary evidence required by General Accounting Office.* The contractor is required to furnish certain documentary evidence for submission to the Comptroller General of the United States (General Accounting Office) in support of reimbursements made on a cost basis. These documents are placed in the custody of a Navy representative by the contractor and after audit by such representative they are made available to the General Accounting Office and ultimately shipped to the location specified by that office. Briefly, these documents are as follows:

(a) For contracts at yards or plants not operating 100 per cent under Government cost and/or cost-plus-fixed-fee contracts—the originals of vendors invoices covering purchases charged in their entirety to the contract; copies of the purchase orders issued for such purchases; acknowledgments of purchase orders (where acknowledgments are made); the originals of the successful bids (where written bids are secured in connection with the purchases); any correspondence affecting the terms of purchase orders; the originals of any subcontracts entered into for the performance for work or services; the original payrolls where separate payrolls are used for employees engaged exclusively upon work under the contract; and evidence of payment, that is, receipts where payments are made in cash or the check number (but not the cancelled check itself) where payments are made by check.

(b) For contracts at yards or plants operating 100 per cent under Government cost and/or cost-plus-fixed-fee contracts—in these cases all expenditures (except those otherwise excluded under the terms of the contracts) are in effect direct charges to the contract(s). Accordingly, documentary evidence will be required for all items reimbursed which can be so supported. The type of documentary evidence required is indicated in paragraph (a) of this section. Where an invoice or other document relates to more than one contract the original will be used to support the expenditure under the one contract and a cross reference sheet will be used in lieu of the document in the case of the other contract(s).

(c) For research and development contracts on a cost-without-profit basis—all charges where the individual items amount to less than $50.00 may be shown in one total without detailed listing or further substantiation. Individual items of $50.00 or more will be listed in detail. However, originals or authenticated copies of invoices and payrolls may be furnished in lieu of the listings at the option of the contractor.

For purposes of project (that is, field) audits, the General Accounting Office shall have access to all required books, records, and documents at the offices or plants of contractors.

§ 39.13 *Accounting reviews of contractors' termination settlement proposals.* Section 841.145–2 (c) of Title 10 (Joint Termination Regulation), which may be obtained by writing to the Office of the Secretary of the Navy (Material Division, Contract Settlement Section), Navy Department, Washington 25, D. C., provides that the Director of the Cost Inspection Service shall establish in such of its offices as he shall deem necessary a unit to coordinate the functions of that office concerning contract termination. He shall also designate representatives to act as liaison officers with the termination units established in accordance with § 841.145–2 (a) and (b) of Title 10 (Joint Termination Regulation). Such representatives shall act as advisors to such units with respect to the establishment of procedures for the review of termination claims, the application of accepted accounting principles, and all other accounting problems resulting from terminations. Except where other qualified accounting personnel is regularly used by a bureau, the Cost Inspection Service has the responsibility of making office accounting reviews of settlement proposals as required by this section and to the extent requested by contracting officers, of making any field accounting reviews or audits.

W. JOHN KENNEY,
Acting Secretary of the Navy.

[F. R. Doc. 47–10646; Filed, Dec. 3, 1947; 8.47 a. m.]

TITLE 49—TRANSPORTATION AND RAILROADS

Chapter I—Interstate Commerce Commission

PART 120—ANNUAL, SPECIAL OR PERIODICAL REPORTS

STEAM RAILWAY ANNUAL REPORT FORM C

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 24th day of November A. D. 1947.

The matter of Annual Reports from Steam Railways of Class III being under consideration:

It is ordered, That the order of January 31, 1947, In the Matter of Annual Reports from Steam Railway Companies of Class III (§ 120.12, Title 49, Code of Federal Regulations) be, and it is hereby modified with respect to annual reports for the year ended December 31, 1947, and subsequent years, as follows:

§ 120.12 *Form prescribed for small steam railways.* All steam railway companies of Class III excluding switching and terminal companies, subject to the provisions of section 20, Part I of the Interstate Commerce Act, are hereby required to file annual reports for the year ended December 31, 1947, and for each succeeding year until further order, in accordance with Annual Report Form C (Small Roads) which is hereby approved and made a part of this order.[1] The annual report shall be filed, in duplicate, in the Bureau of Transport Economics and Statistics, Interstate Commerce Commission, Washington 25, D. C., on or before March 31 of the year following the one to which it relates. (24 Stat. 386, 34 Stat. 593, 35 Stat. 649, 36 Stat. 556, 41 Stat. 493, 54 Stat. 916; 49 U. S. C. 20 (1)–(8))

NOTE: The reporting requirements of this order has been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

By the Commission, Division 1.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 47–10663; Filed, Dec. 3, 1947; 8:47 a. m.]

PART 120—ANNUAL, SPECIAL OR PERIODICAL REPORTS

SWITCHING AND TERMINAL ANNUAL REPORT FORM D

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 24th day of November A. D. 1947.

The matter of Annual Reports from Switching and Terminal Companies of Class III being under consideration:

It is ordered, That the order of January 31, 1947, In the Matter of Annual Reports from Switching and Terminal Companies of Class III (§ 120.13, Title 49, Code of Federal Regulations) be, and it is hereby modified with respect to annual reports for the year ended December 31, 1947, and subsequent years, as follows:

§ 120.13 *Form prescribed for small switching and terminal companies.* All switching and terminal companies of Class III subject to the provisions of section 20, Part I of the Interstate Commerce Act, are hereby required to file annual reports for the year ended December 31, 1947, and for each succeeding year until further order, in accordance with Annual Report Form D (Small Switching and Terminal Companies), which is here by approved and made a part of this order.[1] The annual report shall be filed, in duplicate, in the Bureau of Transport Economics and Statistics, Interstate Commerce Commission, Washington 25, D. C., on or before March 31 of the year following the one to which it relates. (24 Stat. 386, 34 Stat. 593, 35 Stat. 649, 36 Stat. 556, 41 Stat. 493, 54 Stat. 916; 49 U. S. C. 20 (1)–(8))

NOTE: The reporting requirement of this order has been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

By the Commission, Division 1.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 47–10664; Filed, Dec. 3, 1947; 8:47 a. m.]

[1] Filed as a part of the original document.

NOTICES

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 8633]

SOUTHWESTERN BELL TELEPHONE CO.

ORDER SCHEDULING HEARING

In the matter of the application of Southwestern Bell Telephone Company, Docket No. 8633, File No. P–C–1626; For a certificate under section 221 (a) of the Communications Act of 1934, as amended.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 21st day of November 1947;

The Commission having under consideration an application filed on November 3, 1947, by the Southwestern Bell Telephone Company for a certificate under section 221 (a) of the Communications Act of 1934, as amended, that the proposed acquisition by the Southwestern Bell Telephone Company of certain telephone plant and property of The Marion Mutual Telephone Company, Marion, Marion County, Kansas, will be of advantage to persons to whom service is to be rendered and in the public interest;

It is ordered, That pursuant to the provisions of section 221 (a) of the Communications Act of 1934, as amended, the above application is assigned for public hearing for the purpose of determining whether the proposed acquisition will be of advantage to the persons to whom service is to be rendered and in the public interest;

It is further ordered, That the hearing upon the said application be held in the offices of the Commission in Washington, D. C., beginning at 10:00 a. m. on the 18th day of December 1947, and that a copy of this order shall be served on the Southwestern Bell Telephone Company and The Marion Mutual Telephone Company; and also on the Governor of Kansas, the State Corporation Commission of Kansas, the Postmaster and the city of Marion, Marion County, Kansas;

It is further ordered, That within five days after the receipt from the Commission of a copy of this order, the applicant herein shall cause a copy hereof to be published in a newspaper or newspapers having general circulation in Marion County, Kansas, and shall furnish proof of such publication at the hearing herein.

Notice is hereby given that § 1.857 of the Commission's rules and regulations shall not be applicable to this proceeding.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 47–10667; Filed, Dec. 3, 1947; 8:47 a. m.]

TRENT BROADCAST CORP., LICENSEE OF AM STATION WTTM AND PERMITTEE OF WTTM–FM, TRENTON, N. J.

PUBLIC NOTICE CONCERNING PROPOSED TRANSFER OF CONTROL [1]

The Commission hereby gives notice that on November 21, 1947 there was filed with it an application (BTC–586) for its consent under section 310 (b) of the Communications Act to the proposed transfer of control of Trent Broadcast Corporation, licensee of AM station WTTM and permittee of WTTM–FM, from Elmer H. Wene to S. Carl Mark. The proposal to transfer control arises out of a contract of October 14, 1947 pursuant to which transferor, Elmer H. Wene, individually and as agent for Jonas Fitzer, Richard Ells, John Machise and Charles Bancheri, agrees to sell to purchaser, S. Carl Mark, 490 shares representing 50% of the 980 shares of $100 par value common voting stock of licensee which are outstanding for a consideration of $165,000 in cash. The agreement also contains an option pursuant to which purchaser may, on or before October 14, 1949, purchase the remaining 490 shares of said licensee of $180,000 in cash. Of the consideration first stated $15,000 has been deposited in escrow together with the stock certificates with The First-Mechanics National Bank of Trenton, New Jersey. The balance of the purchase price is to be paid on the closing date, which shall be within 30 days after Commission consent to the application as fixed by the parties. On said closing date purchaser is to be elected Executive Vice-President and Managing Director and is to actively supervise the management of the company. Further information as to the arrangements may be found with the application and associated papers which are on file at the offices of the Commission in Washington, D. C.

Pursuant to § 1.321 which sets out the procedure to be followed in such cases including the requirement for public notice concerning the filing of the application, the Commission was advised by applicant on November 21, 1947 that starting on November 24, 1947 notice of the filing of the application would be inserted in a daily newspaper of general circulation in the City of Trenton, New Jersey in conformity with the above rule.

In accordance with the procedure set out in said rule, no action will be had upon the application for a period of 60 days from November 24, 1947 within which time other persons desiring to apply for the facilities involved may do so upon the same terms and conditions as set forth in the above described contract.

[1] Section 1.321, Part 1, Rules of Practice and Procedure.

(Sec. 310 (b), 48 Stat. 1086; 47 U. S. C. 310 (b))

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 47–10668; Filed, Dec. 3, 1947; 8:47 a. m.]

FEDERAL POWER COMMISSION

[Docket No. IT–6099]

CALIFORNIA ELECTRIC POWER CO.

NOTICE OF ORDER AUTHORIZING ISSUANCE OF PROMISSORY NOTES

DECEMBER 1, 1947.

Notice is hereby given that on November 28, 1947, the Federal Power Commission issued its order entered November 28, 1947, authorizing issuance of promissory notes in the above-designated matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 47–10658; Filed, Dec. 3, 1947; 8:47 a. m.]

INTERSTATE COMMERCE COMMISSION

[Ex Parte 166]

INCREASED FREIGHT RATES, 1947

NOVEMBER 28, 1947.

Oral argument in the above-entitled proceeding will be heard by the Commission at Washington, D. C., as soon as practicable, and in any event within a day or two, following the close of the final hearing at Washington which begins December 8, 1947.

It is imperative that the time of the Commission and of the parties be conserved and counsel having common interests are urged to arrange, so far as practicable, to consolidate their presentation of arguments.

Memoranda supplementing or in lieu of oral argument may be filed on or before December 15, 1947. Parties desiring to submit such memoranda should file 150 copies thereof.

The Commission should be advised, on or before December 8, as to the names of persons who desire to make oral arguments.

[SEAL] G. W. LAIRD,
Acting Secretary.

[F. R. Doc. 47–10659; Filed, Dec. 3, 1947; 8:51 a. m.]

[S. O. 790, Special Directive 1, Corr.]

PENNSYLVANIA RAILROAD CO. TO FURNISH CARS FOR RAILROAD COAL SUPPLY

By letter dated November 14, 1947, The Pennsylvania Railroad Company and The Long Island Railroad Company have

certified that they have on that date in storage and in cars a total supply of 9.5 days of fuel coal, and that it is immediately essential that these companies increase their coal supply from certain enumerated mines.

The certified statements have been verified and found to be correct.

Therefore, pursuant to the authority vested in me by paragraph (b) of Service Order No. 790, The Pennsylvania Railroad Company is directed:

(1) To furnish daily to the mines listed in Appendix A cars for the loading of Pennsylvania Railroad fuel coal in the number specified from its total available supply of cars suitable for the transportation of coal.

(2) That such cars furnished in excess of the mines' distributive share for the day will not be counted against said mines.

(3) That it shall not accept billing of cars furnished for loading under the provisions of this directive unless billed for The Pennsylvania Railroad fuel coal supply.

(4) To furnish this Bureau, as soon as may be practicable after the end of each week, information showing the total number of cars furnished to said mines for the preceding week under the authority of this directive and to indicate with respect to each mine how many such cars were in excess of the daily distributive share of car supply of such mine.

(5) To advise this office when its total supply of fuel coal including fuel stock piled or cars loaded on its lines reaches the amount of 16 days' supply.

A copy of this special directive shall be served upon The Pennsylvania Railroad Company and notice of this directive shall be given the public by depositing a copy in the office of the Secretary of the Commission, Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

Issued at Washington, D. C., this 14th day of November A. D. 1947.

HOMER C. KING,
Director,
Bureau of Service.

Name of mine:	*Number PRR fuel coal cars per day*
Bear Run	8
Bigelow Run	5
Bucker	5
Jordan (McCartney No. 3)	6
Batchelet	3
Bostonian Nos. 9–10	4
Fuller	1
Kenbrook	7
Bennett	1
Bolivar	4
Cambria	1
Diamond Smokeless	4
Eureka Nos. 37–40	5
Huskin No. 6	2
Lambert	2
Lamkie	6
Lindsey No. 8	1
Loyal Hanna No. 6	1
McCombie No. 2	3
Navy Smokeless	2
Penna. No. 10	3
Catfish	1
Fike	2
Hillcrest No. 3	12
Mercury No. 2	5
Armstrong	15
Braeburn	4
Cipolla	2
Tunnelton	2
Valley	14
Venturini	3
Crawford	1
Salina	2
Mathias	13
Penn Valley	10
Patoka	2
Webco	5
A. & A	2
Betsy	23
Captina	2
Cross Creek	6
Dorothy & Florence	23
Healy	4
Kish	3
Mautz	1
Meecham	2
Milligan	1
Moore-Cadiz	13
Powhatan	10
Ray	3
Rosehill	1
Sines	1
Ten X	3
Webb	43
Bethany	10
Costanzo	6
Locust Grove	31
Mid Pen No. 4	10
Militant & Cooper Smokeless	3
Universal Nos. 1 and 2	3
L&P No. 1 or Poledo	4
Lloyd No. 1	10
Mimms	3
Reitz Nos. 3 and 4 (power plant)	2
Reitz No. 3 (locomotive)	2
Smith Nos. 1 and 2	1
Stineman No. 3	5
Virginia No. 14	1
West Bituminous-Banks	5
Export Adams, McCullough	17
Graff Nos. 1 and 2	15
Jamison No. 2–20–21	13
Peole	9
Segar	3
Superior No. 2	5
Superior No. 1	5
Lewis	5
Maher No. 4	9
Mateer	5
Mooween	2
Painter	4
Park	11
Creighton	1
Decker No. 2	3
Foster Nos. 4 and 5	43
Gilpin	8
Harkleroad	2
Kiski Valley	8
Graceton	4
Lucerne	4
Delmont No. 10	12
Hays No. 2	9
Irwin No. 11	5
Jane	5
Jones	2
Bulger	9
Enterprise	5
Fleck No. 4	5
Florence (Harmon)	39
Francis	42
Hanlin	39
Hankey	5
Joyce Nos. 1 and 3	7
Lindley-Midland	37
Mac	3
Magnolia	1
Mayview	8
Miller	3
Mullett	40
Washington	17
Paris	10
Patsch	10
Standard No. 1	2
Walnut Grove	1
Valley Camp	36
Dun Glen	29
Gander-Walsh	5
Testa	3
Parrall	3
Saxton	6
Shasta	10
Sunshine	2
Sycamore 25, Sulivan 27, Maumee 30	15
Bowers	2
Buckeye	3
Birch Creek	18
Knox Nos. 1, 2, 5	73
Regent	6
Persutti No. 2	6
Primrose Nos. 2 and 4	10
Rea	1
Rich Hill	3
Schlegel	10
Simpson No. 2	1
Standard No. 9, Sasso No. 5	33
Thomassey	1
Farrar-Nagode	4
Vegler	4
Bateson	1
Gill-White	1
Sterling	1
Chinook	45
Panhandle	12

[F. R. Doc. 47–10660; Filed, Dec. 3, 1947; 8:51 a. m.]

[S. O. 790, Special Directive 24]

UNITY RAILWAYS CO. TO FURNISH CARS FOR RAILROAD COAL SUPPLY

On November 26, 1947, The Pennsylvania Railroad Company and The Long Island Railroad Company have certified that they have on that date in storage and in cars a total supply of 9.5 days of fuel coal, and that it is immediately essential that these companies increase their coal supply from certain enumerated mines.

The certified statements have been verified and found to be correct.

Therefore, pursuant to the authority vested in me by paragraph (b) of Service Order No. 790, the Unity Railways Company is directed:

(1) To furnish daily to the Renton No. 3 mine 2 cars for the loading of Pennsylvania Railroad fuel coal from its total available supply of cars suitable for the transportation of coal.

(2) That such cars furnished in excess of the mine's distributive share for the day will not be counted against said mine.

(3) That it shall not accept billing of cars furnished for loading under the provisions of this directive unless billed for The Pennsylvania Railroad fuel coal supply.

(4) To furnish this Bureau, as soon as may be practicable after the end of each week, information showing the total number of cars furnished to said mine for the preceding week under the authority of this directive how many such cars were in excess of the daily distributive share of car supply of such mine.

A copy of this special directive shall be served upon the Unity Railways Company and notice of this directive shall be given the public by depositing a copy in the office of the Secretary of the Commission, Washington, D. C., and by filing

it with the Director of the Division of the Federal Register.

Issued at Washington, D. C., this 26th day of November, A. D. 1947.

HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 47-10661; Filed, Dec. 3, 1947; 8:51 a. m.]

[S. O. 790, Special Directive 25]

BALTIMORE AND OHIO RAILROAD CO. TO FURNISH CARS FOR RAILROAD COAL SUPPLY

On November 26, 1947, The Central Railroad Company of New Jersey certified that they have on that date in storage and in cars a total supply of 5 days of fuel coal, and that it is immediately essential that this company increase its coal supply from certain enumerated mines.

The certified statements have been verified and found to be correct.

Therefore, pursuant to the authority vested in me by paragraph (b) of Service Order No. 790, The Baltimore and Ohio Railroad Company is directed:

(1) To furnish daily to the mines listed below cars for the loading of The Central Railroad Company of New Jersey fuel coal in the number specified from its total available supply of cars suitable for the transportation of coal: Swamp Run, 3 cars; Katherine, 3 cars; Cliff, 2 cars; Keeley, 1 car; Federal No. 3, 2 cars; Henshaw, 2 cars; Riley, 2 cars; Elk Hill, 1 car; Roberta, 1 car, and Dola, 1 car.

(2) That such cars furnished in excess of the mines' distributive share for the day will not be counted against said mines.

(3) That it shall not accept billing of cars furnished for loading under the provisions of this directive, unless billed for The Central Railroad Company of New Jersey fuel coal supply.

(4) To furnish this Bureau, as soon as may be practicable after the end of each week, information showing the total number of cars furnished to said mines for the preceding week under the authority of this directive and to indicate with respect to each mine how many such cars were in excess of the daily distributive share of car supply of such mine.

A copy of this special directive shall be served upon The Baltimore and Ohio Railroad Company and notice of this directive shall be given the public by depositing a copy in the office of the Secretary of the Commission, Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

Issued at Washington, D. C., this 26th day of November A. D. 1947.

HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 47-10662; Filed, Dec. 3, 1947; 8:51 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 7-1023]

AMERICAN AIRLINES, INC.

NOTICE OF APPLICATION FOR UNLISTED TRADING PRIVILEGES, AND OF OPPORTUNITY FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the city of Philadelphia, Pa., on the 28th day of November A. D. 1947.

The San Francisco Stock Exchange, pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F-1 thereunder, has made application for unlisted trading privileges in the Common Stock, $1.00 Par Value, of American Airlines, Incorporated, a security listed and registered on the New York Stock Exchange.

Rule X-12F-1 provides that the applicant shall furnish a copy of the application to the issuer and to every exchange on which the security is listed or already admitted to unlisted trading privileges. The application is available for public inspection at the Commission's principal office in Philadelphia, Pennsylvania.

Notice is hereby given that, upon request of any interested person received prior to December 16, 1947, the Commission will set this matter down for hearing. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Philadelphia, Pennsylvania. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application, and other information contained in the official file of the Commission pertaining to this matter.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant to the Secretary.

[F. R. Doc. 47-10653; Filed, Dec. 3, 1947; 8:50 a. m.]

[File No. 70-1646]

GEORGIA POWER CO.

ORDER GRANTING APPLICATION

At a regular session of the Securities and Exchange Commission held at its office in the city of Philadelphia, Pa., on the 26th day of November 1947.

Georgia Power Company ("Georgia Power"), a public utility subsidiary of The Commonwealth & Southern Corporation, a registered holding company, having filed an application and amendments thereto pursuant to section 6 (b) of the Public Utility Holding Company Act of 1935 and Rule 50 promulgated thereunder, with respect to the transaction summarized below:

Georgia Power proposes to issue and sell pursuant to the competitive bidding requirements of Rule U-50, $10,000,000 principal amount of its First Mortgage Bonds, __% Series, due December 1, 1977, to be issued under and secured by the company's present indenture and supplemental indenture both dated March 1, 1941, as supplemented by an indenture to be dated as of December 1, 1947. The application indicates that the proceeds from the sale of the bonds will be used in connection with Georgia Power's construction program.

The Georgia Public Service Commission, the State Commission of the State in which Georgia Power is organized and doing business, has expressly authorized the proposed issuance and sale of the bonds.

Said application having been filed on October 3, 1947 and notice of said filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to said act, and the Commission not having received a request for a hearing with respect to said application within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

Georgia Power having requested that the Commission's order become effective forthwith; and the Commission finding with respect to said application, as amended, that the requirements of the applicable provisions of the act and the rules promulgated thereunder are satisfied, and deeming it appropriate in the public interest and in the interest of investors and consumers that said application, as amended, be granted:

It is hereby ordered, That, pursuant to Rule U-23, said application, as amended, be, and the same hereby is granted forthwith, subject to the terms and conditions prescribed in Rule U-24 and to the following conditions:

(1) That the proposed issue and sale of the bonds shall not be consummated until the results of the competitive bidding pursuant to Rule U-50 with respect to the bonds have been made a matter of record herein and a further order shall have been entered with respect thereto, which order may contain such further terms and conditions as may then be deemed appropriate, for which purpose jurisdiction is hereby reserved,

(2) That jurisdiction be reserved with respect to the payment of the fees and expenses of all counsel in connection with the proposed transaction.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant to the Secretary.

[F. R. Doc. 47-10652; Filed, Dec. 3, 1947; 8:50 a. m.]

[File No. 70-1670]

AMERICAN GAS AND ELECTRIC CO.

NOTICE OF FILING

At a regular session of the Securities and Exchange Commission, held at its office in the city of Philadelphia, Pennsylvania, on the 26th day of November A. D. 1947.

Notice is hereby given that an application-declaration and amendment thereto have been filed with this Commission pursuant to the Public Utility Holding Company Act of 1935 by Amer-

ican Gas and Electric Company (American Gas), a registered holding company. Applicant-declarant designates sections 10 and 11 of the act as applicable to the proposed transactions.

Notice is further given that any interested person may, not later than December 10, 1947 at 11:30 a. m., e. s. t., request the Commission in writing that a hearing be held on such matter, stating the reasons for such request, the nature of his interest, and the issues of fact or law raised by said application-declaration, as amended, which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed as follows: Secretary, Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania. At any time after December 10, 1947 at 11:30 a. m., e. s. t., said application-declaration, as filed or as amended, may be granted and permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act or the Commission may exempt such transactions as provided in Rules U-20 (a) and U-100 thereof.

All interested persons are referred to said application-declaration, as amended, which is on file in the offices of this Commission for a statement of the transactions therein proposed which are summarized as follows:

American Gas states that United Public Utilities Corporation (UPU) proposes, subject to approval of this Commission, to sell the shares of common stocks of the utility companies now owned by UPU, including those named below. American Gas proposes to submit a bid or bids for the shares of common stocks of the companies named below, the common stocks of which are now owned by UPU, when such shares are offered for sale:

Company	Nature of business	State in which operations are conducted
Citizens Heat, Light & Power Co	Electric	Indiana.
The Bradford and Gettysburg Electric Light & Power Co	do	Ohio.
The Brookville & Lewisburg Lighting Co	do	Do.
The Buckeye Light & Power Co	do	Do.
The Eaton Lighting Co	do	Do.
The Greenville Electric Light & Power Co	do	Do.
The New Madison Lighting Co	do	Do.
Indiana-Ohio Public Service Co	Gas	Indiana.
Lynn Natural Gas Co	do	Do.
Peoples Service Co	do	Do.

American Gas states that if it is the successful bidder it will use part of its cash funds now in its treasury to consummate the purchase or purchases.

The application-declaration states that if American Gas acquires the common stocks of the above-mentioned electric properties, they would be operated as part of its integrated electric system (sometimes referred to as the "Central System"). It is further stated that the Indiana electric property would eventually be merged with Indiana & Michigan Electric Company, a subsidiary of American Gas, and the Ohio electric properties would eventually be merged with the Ohio Power Company, also a subsidiary of American Gas. It is also stated that it is proposed to use the existing 132-kv. transmission network of the Central System as a source of supply to the Indiana and Ohio operating companies and to interconnect these facilities at 33-kv. in order to make available the source of energy now existent in the Central System.

American Gas states that any bids submitted by it will be subject to approval by this Commission with respect to price and terms. The company also states that, if it is the successful bidder for the common stocks of any or all of the non-electric utility companies named above, and if such bids are approved by the Commission, the order of approval may be conditioned to provide that American Gas will divest itself of the common stocks of such non-electric utility companies within one year from the date of such acquisition: *Provided, however,* That application may be made for an extension or extensions of such period for good cause shown.

It is requested that the Commission's order granting the application and permitting the declaration, as amended, to become effective be issued as soon as may be practicable and that it shall be effective forthwith upon the issuance thereof.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant to the Secretary.

[F. R. Doc. 47-10648; Filed, Dec. 3, 1947; 8:49 a. m.]

[File No. 70-1673]

SOUTHWESTERN GAS AND ELECTRIC CO. ET AL.

MEMORANDUM FINDINGS AND ORDER GRANTING APPLICATION AND PERMITTING DECLARATION TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission held at its office in the city of Philadelphia, Pa., on the 28th day of November 1947.

In the matter of Southwestern Gas and Electric Company, Arkansas Power & Light Company, Oklahoma Gas and Electric Company, The Arklahoma Corporation, File No. 70-1673.

Southwestern Gas and Electric Company ("Southwestern"), a subsidiary of Central and South West Corporation which is a registered holding company; Arkansas Power & Light ("Arkansas"), a subsidiary of Electric Power & Light Corporation and Electric Bond and Share Company, both registered holding companies; Oklahoma Gas and Electric Company ("Oklahoma"), a subsidiary of Standard Gas and Electric Company and Standard Power and Light Corporation, both registered holding companies; and The Arklahoma Corporation ("Arklahoma") have filed a joint application and declaration pursuant to sections 6 (a), 6 (b), 7, 9 (a) (1), 10 and 12 (f) of the Public Utility Holding Company Act of 1935 and Rules U-43 and U-50 thereunder.

Southwestern, Arkansas and Oklahoma (hereinafter sometimes jointly referred to as "lessees") propose jointly to lease from Arklahoma, and Arklahoma proposes to lease to them, certain transmission facilities in Arkansas and Oklahoma commonly known as the "Ark-La Line". The Ark-La Line, which consists of a transmission line extending from Markham's Ferry, Oklahoma, to Lake Catherine, Arkansas, the transmission substations at the termini of said Line and incidental real property, rights of way, etc., is presently owned by Ark-La Electric Cooperative, Inc., a nonaffiliated corporation, and interconnects facilities of the lessees. Lessees have entered into a contract with said cooperative, which provides for the purchase of the Ark-La Line by lessees or their nominee for a consideration of $3,800,000. Lessees intend to assign their rights under said contract to purchase to Arklahoma in consideration of the execution of said lease.

Arklahoma is a corporation organized as an electric public utility under the laws of the State of Arkansas for the purpose of owning and leasing the Ark-La Line. Arklahoma proposes to issue and sell 500 shares of common stock, $100 par value, and $3,800,000 principal amount of 3% first mortgage bonds. Southwestern proposes to acquire 160 of said shares, Arkansas 170 of said shares, and Oklahoma 170 of said shares, constituting all the outstanding stock of Arklahoma, at a price of $100 per share. Arklahoma proposes to sell the bonds to Connecticut Mutual Life Insurance Company, and has applied for exemption of the proposed sale from the competitive bidding requirements of Rule U-50. The proposed mortgage indenture provides for approximately equal annual sinking fund payments which will result in the retirement of all of the bonds by their maturity in 1977. The proposed lease will be pledged under the mortgage will be entitled to enforce payment of the rents.

The proposed lease provides for a term of thirty years at a stated rental of $143,900 per annum for the first twenty years and $145,900 per annum for the remaining ten years, plus interest on the proposed bonds and on all other indebtedness of Arklahoma incurred with the approval of the lessees, and depreciation allowed for income tax purposes (up to 3% per annum) on depreciable property in excess of $3,700,000. As additional rental, the lessees undertake to pay all taxes, assessments, etc. on the leased property. Lessees also agree to advance to Arklahoma such funds as may be needed to maintain the integrity of the leased property. Lessees are given an option to purchase the leased property at approximately its net book cost on any rental payment date after two years from the date of the lease.

The Arkansas Public Service Commission has authorized the proposed issuance and sale of common stock and first

mortgage bonds by Arklahoma, the proposed acquisition of the Ark-La Line by Arklahoma, the execution of the proposed lease by Arklahoma, Southwestern, Arkansas and Oklahoma, and the acquisition by Southwestern, Arkansas and Oklahoma of the common stock of Arklahoma. The record indicates that authorizations with respect to the proposed transactions have been obtained from the Corporation Commission of the State of Oklahoma and the Federal Power Commission, and applications-declarants state that except for the order of this Commission, no other authorizations are required.

The application-declaration indicates that the original plan of the parties provided for the sale of Arklahoma's common stock to a group of individuals none of whom was an affiliate of lessees, and for the execution of a lease and mortgage as now proposed. Applicants were advised by their counsel that the acquisition of the utility properties by lessees was exempt from the provisions of sections 9 and 10 under section 9 (b) (1) and that no other provision of the act was applicable to the proposed transactions in view of Arklahoma's character as a non-affiliate. On this basis extensive negotiations were carried on among the parties and a bond purchase agreement which provides for a deadline of December 1, 1947, was entered into with Connecticut Mutual Life Insurance Company. After being advised in the course of an informal conference with our staff that the execution of the lease by lessees might constitute a guaranty of, or assumption of liability on, the bonds to be issued by Arklahoma, making the lease a security within the meaning of section 2 (a) (16) of the act, and that special problems might arise out of the ownership of Arklahoma's stock by a group of individuals rather than by the companies concerned, the companies revised the proposed transaction to make Arklahoma a subsidiary of the lessees, and to eliminate the outside ownership of this stock.

The recasting of the transaction makes it unnecessary for us to consider certain problems raised by such an arrangement, including a determination whether Arklahoma, regardless of the ownership of its securities, should be declared to be an affiliate of the lessees within the meaning of section 2 (a) (11) (D) of the act, or whether the proposed lease might enable Arklahoma to profit on the transaction at the expense of the lessees. Through the ownership of all the stock of Arklahoma as well as the leasehold interest in the property the lessees will now acquire, directly or indirectly, the entire beneficial interest in the Ark-La Line. There remain the problems, among others, that this acquisition is being financed substantially 100% by the issuance of debt securities, that the bonds are being sold without competitive bidding, and that, by virtue of the lease device, neither the debt nor the property will be reflected on the balance sheets of the lessees, nor will their income statements disclose the nature of the interest, depreciation and capital charges applicable to the acquisition and financing of the Ark-La Line.[1]

Absent special and compelling reasons, such use of the lease device is difficult, if not impossible, to justify under the standards of the Holding Company Act. In this case, however, applicants-declarants point out special and unusual reasons for setting up a separate corporation to acquire the property and lease it to the operating companies. Thus, among other things, the Ark-La Line will serve as an interconnection among the properties of three major operating companies, each a member of a separate holding company system and unaffiliated with either of the other two companies. Applicants-declarants state that it is desirable for the three companies to share in the ownership as well as in the use of the line and that direct ownership of undivided interests therein would pose special financing problems under the mortgages of the three lessees. The bond purchase agreement appears to be the result of arm's-length bargaining, undertaken at a time when the applicants-declarants believed that the provisions of the Holding Company Act and of Rule U-50 did not apply. The interest rate provided by the proposed mortgage does not appear to be unreasonable in relation to present costs of money, no finders' fees or commissions are to be paid in connection with it, and it appears that the fees and expenses proposed to be paid are not unreasonable. The property to be acquired is small in amount in relation to the utility properties of the three lessees, and the bonds to be issued by Arklahoma and to be paid indirectly by the lessees constitute less than 2% of their aggregate capitalization and surplus. The mortgage provides for a sinking fund of over 3%, through which the mortgage will be paid off in substantially equal installments over the 30 year term. Finally, as noted above, the transaction had been cast in its present form, so far as the mortgage and lease arrangements are concerned, on the bona fide asumption that this commission had no jurisdiction with respect to it, and it appears impractical to change its terms without losing the lender's commitment and reopening the proceedings before the three other regulatory commissions who have approved it in its present form. These considerations are pertinent not only to our approval of the transactions as a whole, but particularly in connection with our granting the requested exemption from the competitive bidding requirements of Rule U-50.

In conclusion, we find that the proposed issue and sale of common stock and bonds by Arklahoma are entitled to exemption from the provisions of section 6 (a) of the act pursuant to section 6 (b) thereof; that the execution and delivery of the proposed lease by lessees meet the requirements of section 7 (c) (1) (C) and 7 (g) of the act, and that no adverse findings should be made under section 7 (d);[2] that the proposed sale of bonds, and the delivery of the proposed lease insofar as it constitutes the sale of a security, may appropriately be expected from the competitive bidding requirements of Rule U-50 pursuant to paragraph (a) (5) thereof; that the proposed acquisitions of Arklahoma's common stock by the lessees will serve the public interest by tending towards the economical and efficient development of integrated public-utility systems; that no adverse findings in respect of the proposed transactions are indicated under the provisions of sections 7, 10, 12 or other sections of the act; and that it is not necessary or appropriate in the public interest or for the protection of investors or consumers to impose terms or conditions in respect thereof.

Said application and declaration having been filed on the 14th day of November 1947, and notice of said filing having been given in the manner and form prescribed by Rule U-23 under said act, and the Commission not having received requests for hearings with respect to said application and declaration within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and the Commission deeming it appropriate in the public interest and in the interest of investors and consumers to grant said application and to permit said declaration to become effective:

It is hereby ordered, Pursuant to Rule U-23 and the applicable provisions of said act and subject to the terms and conditions prescribed in Rule U-24, that said application be and it hereby is granted, and that said declaration be and it hereby is permitted to become effective, forthwith.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant to the Secretary.

[F. R. Doc. 47-10647; Filed, Dec. 3, 1947; 8:49 a. m.]

[File No. 70-1680]

COMMONWEALTH & SOUTHERN CORP. (DELAWARE) AND SOUTHERN CO.

NOTICE OF FILING AND NOTICE OF AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission held at its office in the city of Philadelphia, Pa., on the 26th day of November 1947.

Notice is hereby given that The Commonwealth & Southern Corporation (Delaware) ("Commonwealth"), a registered holding company, and The Southern Company ("Southern"), a registered holding company which is a subsidiary of Commonwealth, have filed joint applications and declarations with this Com-

[1] It will be appropriate, in future financings by these lessees, to consider their aliquot portion of the debt of Arklahoma as in effect the debt of the lessees and to take such action as may be necessary or appropriate to protect the rights of security holders.

[2] It appears further that the execution and delivery of the proposed lease by Arkansas are entitled to exemption under section 6 (b). The execution and delivery of the lease by Oklahoma might be entitled to a similar exemption, but this question need not be decided in view of our findings under section 7.

mission pursuant to applicable provisions of the Public Utility Holding Company Act of 1935 ("act") and the rules promulgated thereunder.

All interested persons are referred to said joint applications and declarations which are on file in the offices of this Commission for a statement of the transactions therein proposed, which are summarized as follows:

Southern (which presently has outstanding 10,000,000 shares of $5 par value common stock, all of which is owned by Commonwealth) proposes to issue and sell additional shares in an amount sufficient to obtain approximately $20,000,000 after payment of any underwriting discounts and commissions. Such proceeds are to be used by Southern to purchase additional shares of common stocks of its subsidiary companies in order to assist them in financing their present construction programs. Of such amount of approximately $20,000,000, Commonwealth will provide from $5,000,000 to $10,000,000 at the price to Southern of the publicly offered shares, provided that such price and the price to the public of such shares are satisfactory to Commonwealth, by use of proceeds to be derived by Commonwealth from its sale, proposed in another proceeding, of the common stock of South Carolina Power Company, a public utility subsidiary of Commonwealth.

It is proposed that the price and number of shares of common stock of Southern to be sold will be determined by negotiation between Southern, Commonwealth and one or more groups of underwriters or other possible purchasers, and that the amounts to be invested by Southern in its subsidiaries and the terms on which and the times at which such investments are to be made will be agreed upon, in part and to the extent feasible, in such negotiations.

The applicants have requested an exemption from the competitive bidding provisions of Rule U-50 and have requested that an order of the Commission granting such exemption be entered as soon as possible. Applicants propose to initiate negotiations with respect to the proposed sale of additional shares of Southern's common stock forthwith upon the entry by the Commission of an order exempting such sale from the requirements of Rule U-50 and, upon completion of such negotiations, Southern and Commonwealth will file an appropriate amendment setting forth a clear and precise statement of the terms of the proposed sale both to Commonwealth and to others and of the use to be made by Southern of the proceeds therefrom.

It appearing to the Commission that it is appropriate in the public interest and in the interest of investors and consumers that a hearing be held with respect to said joint applications and declarations and that said joint applications and declarations shall not be granted or permitted to become effective except pursuant to a further order of this Commission:

It is ordered, That a hearing on said joint applications and declarations pursuant to the applicable provisions of the act and the rules of the Commission thereunder be held on December 9, 1947 at 2:00 p. m., e. s. t., at the offices of the Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania. On such date the hearing room clerk in Room 318 will advise as to the room in which such hearing will be held. In the event that amendments to the joint applications and declarations are filed during the course of these proceedings, no notice of such amendments will be given unless specifically ordered by the Commission. Any person desiring to receive further notice of the filing of any amendments should request such notice of Commonwealth or should file an appearance in these proceedings. Any persons desiring to be heard or otherwise wishing to participate in this proceeding shall file with the Secretary of the Commission on or before December 8, 1947 a request or application relative thereto as provided by Rule XVII of the Commission's rules of practice.

It is further ordered, That Robert P. Reeder or any other officer or officers of this Commission designated by it for that purpose shall preside at such hearing. The officer so designated to preside at such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of the act and to a hearing officer under the Commission's rules of practice.

The Public Utilities Division having advised the Commission that it has made a preliminary examination of said joint applications and declarations and that, upon the basis thereof, the following matters and questions are presented for consideration by the Commission without prejudice to its specifying additional matters and questions upon further examination:

(1) Whether financing by the issue and sale of common stock by Southern and by its subsidiaries is necessary or appropriate to the economical and efficient operation of the businesses in which Southern and its subsidiaries are engaged;

(2) Whether the proposed acquisition by Commonwealth of additional common stock of Southern, and the proposed acquisition by Southern of additional shares of the common stocks of its subsidiary companies, are in compliance with the applicable standards of the act;

(3) Whether the consideration, fees, commissions or other remuneration to be paid in connection with the proposed transactions are reasonable;

(4) Whether the terms and conditions of the issue and sale of said common stock of Southern are detrimental to the public interest or the interests of investors or consumers;

(5) Whether the requested exemption from the competitive bidding requirements of Rule U-50 should be granted, and whether any terms and conditions should be imposed in the public interest or for the protection of investors or consumers should such exemption be granted;

(6) Whether the accounting entries to be made in connection with the proposed transactions are appropriate and in accordance with sound accounting practices; and

(7) Whether in the event the applications and declarations shall be granted and permitted to become effective, it is necessary or appropriate to impose any terms or conditions to ensure compliance with the standards of the act or in the public interest or for the protection of investors or consumers:

It is further ordered, That particular attention be directed at said hearing to the foregoing matters and questions.

It is further ordered, That jurisdiction be, and it hereby is, reserved to separate, either for hearing, in whole or in part, or for disposition in whole or in part, any of the issues, questions or matters herein set forth or which may arise in these proceedings or to consolidate with these proceedings other matters pertaining to the subject matter of these proceedings, and to take such other action as may appear conducive to an orderly, prompt and economical disposition of the matters involved.

It is further ordered, That the Secretary of the Commission shall serve notice of the aforesaid hearing by mailing a copy of this order by registered mail to The Commonwealth & Southern Corporation (Delaware), The Southern Company, the Federal Power Commission, the Public Service Commissions of Alabama, Georgia and South Carolina and to all persons, or their counsel of record, who have entered appearances in the proceedings on Commonwealth's plan dated July 30, 1947 (File No. 54-161); and that notice of said hearing be given to all other persons by general release of this Commission which shall be distributed to the press and mailed to the mailing list for releases issued under the Public Utility Holding Company Act of 1935; and that further notice be given to all persons by publication of this order in the FEDERAL REGISTER.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant to the Secretary.

[F. R. Doc. 47-10649; Filed, Dec. 3, 1947; 8:49 a. m.]

[File No. 70-1685]

SUSQUEHANNA UTILITIES CO.

NOTICE OF FILING OF DECLARATION AND APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the city of Philadelphia, Pennsylvania, on the 26th day of November 1947.

Notice is hereby given that an application-declaration has been filed with this Commission, pursuant to the Public Utility Holding Company Act of 1935 ("act"), by Susquehanna Utilities Company ("Susquehanna"), a registered holding company. Applicant-declarant has designated sections 5 (d), 12 (c) and 12 (d) of the act and rules U-43, U-44, and U-46 promulgated thereunder as applicable to the proposed transactions.

Notice is further given that any interested person may, not later than December 19, 1947, at 5:30 p. m., e. s. t., request the Commission in writing that a hearing be held on such matter, stating the reasons for such request, the nature of his

interest and the issues of fact or law raised by said application-declaration which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania. At any time after December 19, 1947, said application-declaration, as filed or as amended, may be granted and permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rule U-20 (a) and Rule U-100 thereof.

All interested persons are referred to said application-declaration which is on file in the offices of this Commission for a statement of the transactions therein proposed, which are summarized as follows:

Susquehanna will dissolve and, in connection therewith, will distribute to Philadelphia Electric Company (as the holder of all the outstanding common stock of Susquehanna) all the outstanding capital stock of Southern Pennsylvania Power Company, all the outstanding capital stock of Conowingo Power Company, which stocks are now held by Susquehanna, and all of Susquehanna's cash assets. Philadelphia Electric Company will transmit to Susquehanna all the latter's capital stock and will cancel (1) a 6% demand note of Susquehanna in the principal amount of $433,000 and unpaid interest thereon, and (2) non-interest bearing open account advances to Susquehanna in the aggregate sum of $500,000.

Susquehanna requests that, upon consummation of the proposed transactions, the Commission enter an order finding that Susquehanna has ceased to be a holding company.

Susquehanna states that, in addition to this Commission, the proposed transactions are subject to the jurisdiction of the Pennsylvania Public Utility Commission, the Public Service Commission of Maryland, and the Federal Power Commission.

Susquehanna requests that the Commission enter its order so as to permit consummation of the proposed transactions not later than December 31, 1947.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant to the Secretary.

[F. R. Doc. 47-10651; Filed, Dec. 3, 1947; 8:50 a. m.]

[File No. 812-513]

E-I MUTUAL ASSOCIATION

NOTICE OF APPLICATION

At a regular session of the Securities and Exchange Commission held at its office in the city of Philadelphia, Pa., on the 26th day of November A. D. 1947.

Notice is hereby given that E-I Mutual Association (Mutual), a Delaware Corporation, has filed an application pursuant to section 6 (c) of the Investment Company Act of 1940 for an order exempting it from all provisions of the act and the rules and regulations promulgated thereunder.

It appears from the application:

(1) That Mutual has been organized by Theodore M. Edison in an attempt to promote industrial harmony in general and cooperative thinking among the employees of Thomas A. Edison, Incorporated, and its subsidiaries (Industries).

(2) That Mutual will receive from Theodore M. Edison, 60,000 shares of Class B common stock (non-voting) of Thomas A. Edison, Incorporated, $240,000 par value United States Government Bonds, and approximately $20,000 in cash.

(3) That under its charter Mutual may participate in a variety of activities for the benefit of its shareholders, including cooperative purchasing, making emergency loans, granting scholarships, giving competitive prizes, and may assist agencies engaged in the public welfare.

(4) That the capitalization of Mutual consists of 100 no par Class A shares (to be held in a charitable trust), 100,000 no par Class B shares to be issued initially in sixteen series (a separate series to be designated for each of the years 1932 through 1947 inclusive) and commencing in 1948 and each year thereafter there shall become available a new series of Class B shares.

(5) That the initial series are to be given by Theodore M. Edison primarily to those New Jersey employees of industries, on the basis of one share to each who had served a minimum of three years as of December 15, 1946, an additional share (up to a maximum of sixteen) to each employee for each additional year of service, and a small number of shares to former employees and others.

(6) That on January 1 of each year (beginning January 1, 1948) Mutual will redeem, at $10 per share, the series maturing on that date and permit the holders of the redeemed shares who remain as employees and those becoming eligible to purchase an additional share of the new series at $10 per share.

(7) That all stock of Mutual will be held by employees of Industries, except the Class A stock to be held in a charitable trust, a small number of the initial series of Class B to be given by Theodore M. Edison to persons assisting in the formulation of the plant and to certain present and former employees of Industries who are ineligible to participate under the plan.

(8) That holders of Class B shares may not dispose of them, unless Mutual has failed to redeem them, at $10 per share, within 30 days after tender.

(9) That although Mutual may, under its charter, invest in securities other than those of Industries, its charter and by-laws provide for complete liquidity of the stockholders' investment by requiring that an amount at least equivalent to the redemption and purchase requirements for each of the outstanding shares of Class B stock at all times shall be kept in cash and United States Government Securities.

For a more detailed statement of the matters of fact and law asserted, all interested persons are referred to said application which is on file in the offices of the Commission at Philadelphia, Pennsylvania.

Notice is further given that an order granting the application, in whole or in part and upon such conditions as the Commission may see fit to impose, may be issued by the Commission at any time after December 8, 1947, unless prior thereto a hearing upon the application is ordered by the Commission, as provided in Rule N-5 of the rules and regulations promulgated under the act. Any interested person may, not later than December 4, 1947, at 5:30 p. m., in writing submit to the Commission his views or any additional facts bearing upon this application or the desirability of a hearing thereon, or request the Commission in writing that a hearing be held thereon. Any such communications or request should be addressed: Secretary, Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania, and should state briefly the nature of the interest of the person submitting such information or requesting a hearing, the reasons for such request, and the issues of fact or law raised by the application which he desires to controvert.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant to the Secretary.

[F. R. Doc. 47-10650; Filed, Dec. 3, 1947; 8:49 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616, E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 10075]

ANTHONY C. KELLER

In re: Rights of Anthony C. Keller under Insurance Contract. File No. F-28-27921-H-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Anthony C. Keller, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the net proceeds due or to become due under a contract of insurance evidenced by policy No. 3815922-A, issued by the Metropolitan Life Insurance Company, New York, N. Y., to Anthony C. Keller, together with the right to demand, receive and collect said net proceeds, is property within the United States owned or controlled by, payable or deliverable to, held on behalf of, or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not

within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on October 31, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47—10669; Filed, Dec. 3, 1947; 8:47 a. m.]

[Vesting Order 10076]

CHRISTINE KLINDWORTH

In re: Estate of Christine Klindworth, deceased. File D–28–9793. E. T. sec. 13772.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Anna Tiedeman, whose last known address is Germany, is a resident of Germany and national of a designated enemy country (Germany);

2. That all right, title, interest and claim of any kind or character whatsoever of the person named in subparagraph 1 hereof, in and to the estate of Christine Klindworth, deceased, is property payable or deliverable to, or claimed by, the aforesaid national of a designated enemy country (Germany);

3. That such property is in the process of administration by Alvin Knips, as Representative, acting under the judicial supervision of the Court of Probate of Nobles County, Minnesota.

and it is hereby determined:

4. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on October 31, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47–10670; Filed, Dec. 3, 1947; 8:47 a. m.]

[Vesting Order 10077]

GIYU TOFUKU

In re: Rights of Giyu Tofuku under Insurance Contract. File F–39–4862–H–1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Giyu Tofuku, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan).

2. That the net proceeds due or to become due under a contract of insurance evidenced by policy No. 56698, issued by the West Coast Life Insurance Company, San Francisco, California, to Giyu Tofuku, together with the right to demand, receive and collect said net proceeds, is property within the United States owned or controlled by, payable or deliverable to, held on behalf of, or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan); and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on October 31, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47–10671; Filed, Dec. 3, 1947; 8:48 a. m.]

[Vesting Order 10204]

WALTER VASEL

In re: Stock owned by Walter Vasel. D–28–11212–A–1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Walter Vasel, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: Thirty (30) shares of $1 par value capital stock of The Lehman Corporation 1–3 South William Street, New York, New York, a corporation organized under the laws of the State of Delaware, evidenced by certificates numbered 041423 and NO4591 for twenty (20) and ten (10) shares respectively, registered in the name of Walter Vasel, together with all declared and unpaid dividends thereon,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on November 19, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47–10672; Filed, Dec. 3, 1947; 8:48 a. m.]